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ABSTRACT

This document reports the results of a study made in Washington State to assess the present status of the 11 private colleges and universities in the State. It was found that these private institutions are serving a vital purpose in offering students a diversified choice in type of education and curriculum. The institutions, presently serving approximately 20,000 students, could easily accommodate up to one-third more students in the present physical plants according to presented data. The financial situation of the majority of the colleges is quite grave, and substantial outside assistance will most probably be necessary in the years ahead. Recommendations are made for developing a program for state assistance to the institutions. (HS)

ED 059700

Washington Private Higher Education:

Its Future and the Public's Interest

Council on Higher Education
State of Washington

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WASHINGTON PRIVATE HIGHER EDUCATION

ITS FUTURE AND THE PUBLIC'S INTEREST

A report to the Washington State

Council on Higher Education

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PREFACE

The study report which follows was prepared in response to House Concurrent Resolution No. 5, 1969 Session of the Washington State Legislature. It concerns a subject of great importance to the State and higher education as a whole. Completion of this project is a milestone in the short history of the Council on Higher Education as it is the first major assignment given the Council for which a report has been made. We believe that it is a significant contribution and that the study's findings and conclusions will serve to stimulate interest and legislative discussion on a most important matter -- namely the future of one significant portion of Washington higher education. The study and its recommendations were approved by the Council on Higher Education on November 11, 1970.

The study has been a group effort. Overall direction of the project was provided by a Steering Committee with the assistance of three Task Forces. Members of these groups devoted considerable time and effort without which this study could not have been completed. The individuals serving included:

Steering Committee

Mr. Scott Barron, Chairman, member of the Council and Chairman of the Council's Planning Committee
The Honorable Slade Gorton, Attorney General, State of Washington
The Honorable Gordon Sandison, Member of the Senate and Co-Chairman, Joint Committee on Higher Education
Dr. Charles McCann, President, The Evergreen State College
Dr. David McKenna, President, Seattle Pacific College
Dr. Don Patterson, Executive Director, Washington Friends of Higher Education
Mr. James F. Ryan, Vice President, University of Washington
Mr. James M. Furman, Executive Coordinator, Council on Higher Education

Task Force on Review of Constitutional Provisions

Mr. Gerald Grinstein, Chairman, Attorney at Law, Seattle
Professor Robert Fletcher, University of Washington, School of Law
Father Francis J. Conklin, S.J., Gonzaga University, School of Law
Mr. Robert Doran, Office of the Attorney General, State of Washington
Mr. Kenneth Beyer, Executive Secretary, Joint Committee on Higher Education, Washington State Legislature

Task Force on Physical Capacity of Private Higher Education

Mr. Roger Bassett, Chairman, State Board for Community College Education
Miss Norma Olsonoski, Coordinator for Space Studies, University of Washington
Mr. Stephen Robel, Associate Professor of Mechanical Engineering, Seattle University
Father Peter Sand, O.S.B., Treasurer, St. Martin's College
Mr. Jerry Schillinger, Director of Facilities Planning, The Evergreen State College
Mr. Stephen Blair, Federal Programs Administrator, Council on Higher Education
Dr. Don Patterson, Executive Director, Washington Friends of Higher Education

Task Force on the Financial Status of Private Higher Education

Dr. John M. Smart, Chairman, Project Leader
Mr. Norman Bowman, Office of Program Planning and Fiscal Management State of Washington
Mr. Dean Buchanan, Vice President - Business and Finance, Pacific Lutheran University
Mr. Clark Hillier, Business Manager, University of Puget Sound
Mr. Harold Jacobson, Vice President for Business and Finance, Seattle Community College
Mr. Jack Kiley, Fiscal Analyst, Joint Legislative Budget Committee, Washington State Legislature
Dr. Don Patterson, Executive Director, Washington Friends of Higher Education

Project Leader for the study was Dr. John M. Smart, formerly Chief Higher Education Specialist, California Coordinating Council for Higher Education, and presently Associate Dean for Instructional Programs, Office of the Chancellor, The California State Colleges. Dr. Smart worked with each of the Task Forces, coordinated the project,and prepared the final report.

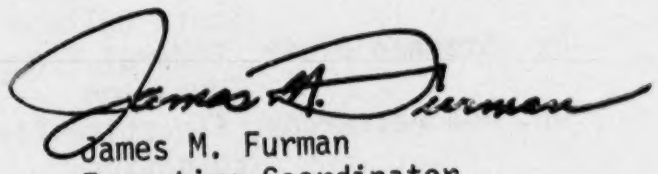
Professor Robert L. Fletcher contributed significantly to the project both as a Task Force member as well as doing extensive research into constitutional matters. The results of his efforts are presented in Chapter V and in Appendix E.

Special recognition should be given Miss Norma Olsonoski who devoted much time and effort in preparing data presentations on the physical capacity of the private colleges and universities. Mr. Al Mousseau of Washington State University and Mr. Stephen Robel of Seattle University assisted by providing advice to the colleges in completing data requests.

Touche, Ross & Co., management consultants, assisted in gathering, reviewing and analyzing data regarding the financial status of the private institutions.

Dr. Don Patterson of the Washington Friends of Higher Education and his staff were extremely helpful at all stages of the study in coordinating the data gathering effort. The many persons on the individual campuses cannot be listed here who contributed their time and effort. Their cooperation without exception was outstanding. To them goes much of the credit for this report.

Mr. J. Arnold Bricker of the Council on Higher Education made significant contributions to all phases of the project including the initial planning and organization as well as assistance and advice throughout. He served on the Steering Committee prior to Mr. Furman's assuming his duties as Executive Coordinator.



James M. Furman
Executive Coordinator

WASHINGTON PRIVATE HIGHER EDUCATION

ITS FUTURE AND THE PUBLIC'S INTEREST

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F. HCR 5, 1969 Session, Washington State Legislature

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

An Overview of Washington Private Higher Education

a. With the general objective of furthering the public's interest, the Council on Higher Education is greatly concerned about the future of Washington's private colleges and universities. The Council seeks to demonstrate the reasons for this concern and to propose programs toward the following goals:

-- *To assist independent institutions in assuming a greater role in Washington higher education and thus relieve the State to some degree from providing similar opportunities.*

-- *To assure that the citizens of Washington have available to them alternative choices of institutions to attend.*

-- *To preserve the present institutions of independent higher educatio and prevent inroads in present quality, service and share of enrollments.*

-- *To improve the quality and depth of existing programs and services in the independent institutions.*

-- *To provide for specialized services and programs in selected areas which it would be uneconomical to duplicate or expand in the public institutions.*

-- *To remove, to a degree, the uncertainty faced by independent institutions in meeting the costs of education.*

b. The Council finds that the private colleges and universities of Washington offer higher education programs not only of need to the State, but of a diverse character which provides the student a valuable element of choice in the character of institution he wishes to attend. It is in the public interest that this diversity be preserved.

c. The Council commends efforts of the private colleges and universities to work individually and collectively to improve their situation. Internal reviews of curricula, need for courses offered, and finances and facilities required, are essential to assuring sound institutional decision-making. In this context many of the institutions should take steps to increase efforts in examining current situations and the development of plans for the future.

Physical Capacity and Service Potential

The data substantiates that Washington private colleges and universities which now serve approximately 20,000 persons could accommodate additional students within their existing physical plants. The eleven institutions could accommodate up to one third more students based on analysis applying space utilization standards comparable to those used for public four-year colleges.

The Financial Status

a. The financial situation of the majority of the colleges is quite grave. Six of the ten colleges reporting financial data face immediate fiscal difficulties and it is projected that this situation will continue in the years ahead. These institutions will be forced to dilute present quality of program, to limit offerings, or to possibly cease operations if aid is not forthcoming. Four of the colleges are financially secure at present. However, at least two of these may face fiscal difficulties in the next few years and require outside assistance. Thus eight out of ten colleges may be required to look to new sources of funds in the immediate future. The financial situation for each of the colleges may be summarized as follows:

Financially secure at present.

Walla Walla College and Whitman College.

Financially secure but could incur major deficits due to limited endowment and lack of other financial resources.

Pacific Lutheran University and University of Puget Sound.

Definite financial difficulties at present and in the future due to either deficits anticipated to meet debt service requirements or shortages of operating funds.

Fort Wright College, Gonzaga University, Seattle Pacific College, Seattle University, St. Martin's College and Whitworth College.

b. The satisfactory financial condition of some of the institutions relates to sound fiscal policy and management over the years. The difficulties of some of the other colleges may in part be ascribed to limited attention in the past to these aspects of policy-making and college management.

c. Increased fund raising efforts, more attention to developing fiscal controls, reduction and elimination of higher cost and low enrollment programs can be cited as steps which most of the institutions should take in the face of severe difficulties.

d. The fact remains that despite ameliorative internal reforms, substantial outside assistance will most probably be necessary in the immediate years ahead.

Alternative Programs for Assisting Private Higher Education

An overview of existing and proposed programs in the several states leads to no perfectly-fitted program proposal for the Washington context. Each state, when it has developed a program, has chosen its own course to meet the perceived problems of the institutions within its borders. Though independent institutions across the nation share a common concern for their future, each institution or category of institution by region is located within a political, legal and economic context sufficiently different so as to make development of a uniform formula for aid impossible.

General Constitutional Issues

a. Limitations of the Washington State Constitution affecting the development of assistance programs to private colleges and universities are considerably more stringent than those of the United States Constitution. The most limiting relevent sections are:

> Amend. 34
>
> No public money or property shall be appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment . . .
>
> Art. IX, Sec. 4
>
> All schools maintained or supported wholly or in part by public funds shall be forever free from sectarian control or influence.
>
> Art. VIII, Sec. 5
>
> The credit of the state shall not, in any manner be given or loaned to, or in aid of, any individual, association, company or corporation.

b. The Council concludes that financial programs of major public purpose, broad applicability, and removed in word and effect from the inculcation of religious faith and from significant support of religiously dominated institutions have the best chance of meeting present constitutional provisions.

Developing a Program for State Assistance

a. The Council wishes to underline its belief that the private colleges and universities, regardless of sponsorship, are in the public interest and, as they are, their future well-being is of great importance to the State of Washington.

b. The Council on Higher Education finds that direct immediate assistance to the private colleges and universities is necessary and essential. Therefore, the Council advises the Legislature and Executive of the State of Washington:

Revision of the Washington Constitution is the only long range solution to the pressing problems of private higher education. Such revision of the Washington Constitution is required to permit financial assistance of the scope needed. Assistance should be made possible for all accredited institutions regardless of sponsorship, provided a public service is rendered. The Washington Constitution could be made to conform to pertinent sections of the Federal Constitution.

Pending revision of the Constitution a two fold program is recommended to assist in meeting immediate fiscal problems:

- *a program of grants for all students attending private, accredited colleges on a fulltime basis who are Washington residents;*

- *pilot programs whereby the State of Washington may contract for legal, nursing education and other allied health programs.*

Revisions of the Constitution would permit the development of programs designed to further the public interest by assuring a full range of higher education opportunities for the citizens of the State. Constitutional revision could allow the assistance necessary for the private colleges and universities to further that public interest. Adoption of the language of the Federal Constitution's relevant sections would permit the State Legislature to develop and provide for appropriate programs.

The grant program is recommended to benefit full-time students enrolled in accredited Washington private higher education. The assumption is that the institution would increase its tuition for all students by at least a like amount. The program should be limited to Washington residents and exclude those students pursuing a course of study for preparation for the ministry. The Legislature must determine the amount of the grant, but it should not be less than $100 per academic year. If enacted in the 1971 Legislative Session, the program should commence beginning with the fall term 1971.

c. The Council on Higher Education, as a second phase of its study, is developing specific pilot program proposals whereby the State of Washington may contract with appropriate institutions and sub-divisions thereof for legal and nursing education and other allied health programs. This study will include demonstration of need for the service, changes in institutional organization required, and proposed levels of support.

These measures, the Council believes, will work toward assuring the continued existence of private higher education and toward strengthening this vital segment of Washington higher education.

CHAPTER I

AN OVERVIEW OF WASHINGTON PRIVATE HIGHER EDUCATION

A National Problem

The relationship of private higher education to the State must be viewed with emphasis on the economic strength of the private institutions and the sources of income for the years ahead. This is true in Washington as it is in many other states. The problem of assuring continued financial support at levels sufficient to support sound higher education programs today faces nearly every higher education institution. But the circumstances of the independent private college or university are clearly more precarious than that of State and locally supported colleges and universities. Deficit operations at even the nation's largest and prestigious private universities are becoming increasingly common.

The Associations of American Colleges and American Universities are among national groups which are presently engaged in developing major reports on the financing of higher education. In recent years several states have directed specific attention to the needs of private institutions, among them New York, Illinois, Florida, Texas, Oregon, Missouri and California.

The reasons for the financial plight of colleges and universities, particularly those without access to public support have been well-documented.

> *Put in its simplest terms, the problem facing most colleges today is this: At a time when the costs of operating a college are rising dramatically and rapidly, tradional sources of income, although increasing, are climbing rather slowly.*[1]

[1] The Chronicle of Higher Education, August 31, 1970, p.2

Inflation, increases in faculty salaries without corresponding increases in productivity, high building and maintenance costs, support for curricula needing expensive equipment and facilities, information acquisition storage costs attendant to the knowledge explosion, and a languishing stock market and economy cutting into gifts and reducing market value of endowment -- are among the reasons often cited as contributing to apparently geometrically expanding college and university budgets on the one hand and inadequate revenue on the other.

The private college or university in the face of these rising costs has only one sure way of increasing income: raising tuition charges to students. Results of appeals to alumni, business and other gift sources are uncertain. Assistance from the Federal government likewise has been sporadic and no new major assistance programs for either public or private higher education appear to be in the offing. But there is assumed to be some point at which the traffic can no longer bear the costs of tuition. The availability of low cost public institutions may tend to lower the point at which the student and his parents decide they will not make additional financial sacrifice for attendance at a private institution. Thus the private college may be left with a student body of the rich and the very poor who are supported by Federal and local student assistance programs.

There can be little doubt that the traffic has been <u>away</u> from the private college nationally, at least in proportion of growth. This trend is not new, but was obscured in the rapidly expanding demand for higher education of the decade from approximately 1955 to 1965 when the facilities available nationally were not meeting that demand. In recent years physical capacity and demand have come more into balance. In this

situation some smaller colleges and universities have had difficulty in maintaining enrollments or in meeting previously established -- constructed and staffed for -- enrollment goals.

For the private college or university which finds itself too deeply in debt and unable to continue either for want of students or deteriorating quality, the solutions are basically three:

to cease operations; as has happened in many instances, generally with small, liberal arts colleges;
to be taken over by the State such as occurred with the University of Buffalo and most recently the University of Chattanooga: or,
to obtain funds from the taxpayer.

The first alternative is primarily in the hands of the institution, the others at the discretion of public policy-makers.

It is within this national context and publicly expressed concerns about the future for Washington private colleges and universities that the Washington State Legislature requested the Council on Higher Education to consider the relationship of private and independent institutions of higher education to the total higher education system with emphasis upon the ways that State assistance might be provided.

Private Higher Education and the Public Interest

In pursuing its study, the Council on Higher Education has viewed the private, independent college and university as a resource which is in the public interest of the people of the State of Washington. Private colleges and universities have grown along side those supported by the public treasury. In Washington they have provided, and continue to pro-

vide, higher education opportunities to many citizens of the state. If these opportunities did not exist, the state-supported institutions would by necessity be required to expand their programs or face the alternative of failing to fulfill their responsibilities to the public.

Though many private interests are served by the independent colleges this need not detract from the fact that overall the public interest is served as well.

With the general objective of furthering the public's interest, the Council on Higher Education finds reason for great concern about the future of Washington private colleges and universities. The Council seeks to demonstrate the need for concern and to propose programs toward the following goals:

-- *To assist independent institutions in assuming a greater role in Washington higher education and thus relieve the State to some degree from providing similar opportunities.*

-- *To assure that the citizens of Washington have available to them alternative choices of institutions to attend.*

-- *To preserve the present institutions of independent higher education and prevent inroads in present quality, service and share of enrollments of Washington higher education.*

-- *To improve the quality and depth of existing programs and services in the independent institutions.*

-- *To provide for specialized services and programs in selected areas which it would be uneconomical to duplicate or expand in the public institutions.*

-- *To remove, to a degree, the uncertainty faced by independent institutions in meeting the costs of education.*

The Steering Committee for the study defined the problem in the following manner:

1. The need to present a descriptive statement of Washington private higher education within a total state system context;

2. Development of an accurate statement of existing physical capacity of the institutions and the number of additional enrollments that the colleges might accommodate in theory;

3. Preparation of a statement of the present and short-run projected financial status of the private colleges and universities;

4. Alternative methods which might be employed in any possible program of state assistance;

5. Exploration of the constitutional questions involved.

From these statements of present offerings, need, capacity, possible methods of support and public policy limitations proposals have been prepared for consideration by the State of Washington. In pursuing this project three Task Forces as well as many individuals have provided invaluable assistance.

Private Higher Education: A Brief Description

Eleven private colleges and universities are considered in this study. Two colleges, Maple Valley in Renton and St. Thomas Seminary in Kenmore, were not included as neither are accredited by the Northwest Association of Secondary and Higher Schools. (Northwest College of the Assemblies of God is presently a candidate for accreditation and for this reason has participated in portions of the study.)

Though the number of institutions is small, nearly every type of higher education institution found in the United States is represented. (The only major classification of institution lacking is the large university with significant graduate programs.) Among the Washington private

colleges is a nationally recognized independent liberal arts college, small universities, both church-sponsored and non-sectarian, and several other colleges emphasizing liberal arts and public service programs sponsored by differing religious groups. The colleges and universities of Washington exhibit a number of similarities as well as many contrasts. Each has a distinctive character and seeks to accomplish certain objectives through its educational program. A brief statement on each college is included below.[2]

Fort Wright College in Spokane, operated by the Sisters of the Holy Names, is the smallest institution included in this survey. A college for women (men are admitted to the graduate fine arts program) the college trains students primarily for teaching and the fine arts. The college recently reorganized its curriculum on the four-one-four plan. This plan provides for two semesters with four courses each with a one month interim term where credit is earned pursuing special projects, work experience or in travel study tours. The credit-no-credit evaluation system has also replaced traditional grading patterns.

The small college atmosphere, in an attractive setting, with close student-faculty contact are among the features stressed by the college as among its special strengths.

In the coming years, the college is seeking to expand enrollments, increase its library holdings (now some 57,000 volumes) improve support for its growing departments, and expand its adult education program.

The faculty for the school is composed predominately of Sisters. The governing board, under a recent reorganization, is composed of 40 members. At least 15 of the members are Sisters, the balance may be lay persons. The Executive Committee is composed of 9 members, four of whom are Sisters. Students are required to take one course in religion and one in philosophy though substitutions for these requirements are possible.

2 Letters received from each college president in response to a series of questions were helpful in preparing this portion of the report as well as for the overall study.

Gonzaga University organized in 1887 is located in Spokane. Sponsored by the Society of Jesus (Jesuits) the university is open to men and women (57% are men). It includes the only law school in Washington other than that of the University of Washington. The law school,first organized in 1912, is beginning a daytime program with the academic year 1970-71.

One aspect of the character of the university is described by its president:

> "The curriculum and the campus tradition stress spiritual and moral values and the principles upon which these values are founded. The philosophy on which a Gonzaga education is based stresses the fact that the mind can discern certain basic truths about man -- his origin, his history, his environment, his works, his dignity, his future, and his destiny -- and that a truly liberal education is concerned primarily with a search for these truths. It is an intellectual adventure, therefore, in quest of that integration and wisdom which will give meaning to life."

As the result of recent reviews of academic programs, two professional degree programs have been eliminated: chemical engineering and a degree program in music. The student-faculty ratio has been adjusted from some 14:1 to 17:1, a level at which it will remain.

In the coming years the university seeks to improve faculty salaries, strengthen departments in the behavioral sciences, and expand the library both physically as well as in holdings (its library contains more than 215,000 volumes). The university has recently been designated a center for the training of teachers for American Indians and it plans to continue this special area of emphasis. The school operates a campus in Florence, Italy, and is cooperating with other colleges in sponsoring summer sessions in Guadaljara, Mexico, and Tokyo.

In most instances selecting students with high school records above 2.5 or C+, the university sends its graduates to many nationally recognized graduate schools.

As a Jesuit institution, approximately one-third of the faculty are members of the order. Courses in religious studies and philosophy are required of most students. The college is governed by a board of trustees composed of five Jesuits and four laymen.

Founded in 1934 Northwest College of the Assemblies of God has evolved from a Bible institute to a college encompassing the liberal arts. Originally in downtown Seattle, the college is now located on a spacious campus in Kirkland which includes a library of 30,000 volumes.

The college is a candidate for accreditation with the Northwest Association of Secondary and Higher Schools. Its graduates typically enter the ministry or other forms of church and public service. Its present focus is expected to continue in the years ahead.

Tracing its origins to an academy of the same name organized in 1890, Pacific Lutheran University located in Parkland, adjacent to Tacoma, evolved from academy status to a junior college, to a normal school and then to a college of liberal arts. During stages of its development it was merged with two other Lutheran institutions, one located in Everett the other in Spokane. It is today among the larger private colleges and universities in Washington. The University has recently reorganized, as have several colleges, on the 4-1-4 plan. It offers, in addition to liberal arts programs, professional programs in business administration, education and nursing among others.

Housed in a well-maintained physical plant, the University is primarily a residential college -- some 75% of the students reside on campus. The school is coeducational with women in the majority. Its library has in excess of 110,000 volumes. It is operated by the American Lutheran Church. The policy making body includes 29 regents most of whom are members of the sponsoring church districts.

St. Martin's College located in Olympia is a four-year co-educational college conducted by the Order of St. Benedict. A small liberal arts college, it also offers programs in business subjects and civil engineering. Emphasizing close student-faculty contact, the college may be described as religiously oriented in character. Its faculty is approximately evenly divided between members of the Order and lay instructors.

Special effort is made by the college to work with students with academic problems who might not otherwise be encouraged to complete college.

Located on a large tract of land with development possibilities, the college is housed primarily in an older, single large structure. Its library contains some 60,000 volumes. It is governed by an eleven member board of trustees. Present composition includes three lay members and eight from the Order. A 27 member board of regents provides advice to the president.

Seattle University, a co-educational institution sponsored by the Society of Jesus, has played a major role in the Seattle area since its beginnings in the 1890's. A metropolitan institution, the university offers a variety of programs at both the undergraduate and graduate level. It is the largest of the independent institutions. The University admits students with a minimum 2.5 high school average (exceptions are made in special instances). Students, during their years at Seattle University, progress through a "core curriculum" designed to provide a thorough basis in the liberal arts. Included within this curriculum are sequences in English, history, philosophy and theology with selection of two sequences from mathematics, science, or social sciences.

The University which has experienced fluctuations in enrollment in recent years has undergone some recent internal reviews by faculty and administration. Goals which are being sought in the years ahead include increases in enrollment, developing closer relationships with the community adjacent to the campus and in improving utilization of the existing faculty.

The facilities are extensive though confined to a relatively small area. Library holdings are approximately 135,000 volumes.

The administration of the institution is in the hands of a recently reorganized nine member board including five Jesuits (three from the campus community and two from outside), and four laymen. The faculty consists of approximately 40% members of the Society of Jesus with the balance lay.

Seattle Pacific College is a metropolitan college located in an older portion of Seattle. Founded in 1891 it is operated under the auspices of the Free Methodist Church. Co-educational (women are in the majority), the college emphasizes the liberal arts with some programs in the professions and some offerings at the graduate level. In its program, the college seeks to emphasize the relationship between the Christian world view and liberal studies. It is particularly noted for the number of public school teachers and administrators it has graduated. Recently initiated academic and fiscal reviews have tended to direct the college toward serving the capable student seeking a small college atmosphere. Plans call for up-grading of faculty salaries, expansion of enrollments and development of a regional identity as the resource center for evangelical Christian higher education in the Northwest.

The college campus is a mixture of old and new buildings. The library contains some 80,000 volumes. The college also operates Camp Casey on Whidbey Island used for retreats and meetings.

Students typically take courses in biblical literature as a part of their general education requirements. Daily chapel-assembly is required of undergraduates. The institution is governed by a 21 member body which includes a majority of members elected from the several regional conferences of the Free Methodist Church.

The second largest independent institution in Washington, Tacoma's University of Puget Sound, provides programs in the liberal arts as well as a limited number of professional programs.

For the past year a Long-Range Planning Commission composed of Board members, faculty, administration, students and alumni have been developing a plan for the coming years for the University which was organized in the late 1880's. Curriculum review which occurred with conversion to the 4-1-4 calendar recently led to the consolidation and elimination of a number of courses.

At present plans call for extension of masters degree work in several departments, increase in community service programs and continued growth in enrollment. The student faculty ratio is to be reduced from approximately 19:1 to 15:1. The library is to be expanded to handle additional holdings. (The library at present contains some 145,000 volumes.)

Among its programs the University offers students opportunities to spend a semester abroad. A special program is also presented in business administration in the Netherlands. Special activities include training in languages conducted at the University's Commencement Bay satellite campus.

With a modest endowment, the institution is housed on a well-maintained campus in good facilities. Formerly primarily a commuter college, in the last 15 years the college has become more residential in character.

The University is under the auspices of the Methodist Church, the founding group. However, the sponsoring body is not closely associated with the operation of the institution. The Board of Trustees is composed of some 35 members. There is a ten member executive committee of trustees as well.

Operated by the Seventh-Day Adventist Church, Walla Walla College, located at College Place adjacent to Walla Walla, offers higher educational opportunities in both the liberal arts and several occupational and public service subjects. The college is closely related to the church with nearly all students and faculty Adventists. In this context the college is part of the extensive Adventist Church educational system.

The college, in addition to offering baccalaureate degree programs, also offers terminal associate degrees in some occupational fields. Programs in health science fields and industrial and vocational skills are more extensive than among the other private colleges and universities.

The campus dates from 1892 and includes a library with more than 100,000 volumes. The college also operates a dairy and a bindery. It is governed by a 16 member Board of Trustees.

Known as being among the country's most selective liberal arts institution, Whitman College, which dates from 1859, is located at Walla Walla. Though founded as a Seminary, the college for many years has been independent of any sponsoring group. It counts among its alumni many nationally known persons.

The college is coeducational with approximately 55:45 ratio of men to women. It is highly selective with the average entrant having an A- or B+ high school average. The objectives of the college are those associated with liberal arts education. No change in this respect is anticipated in the years ahead.

The faculty is highly qualified with some two-thirds holding the doctorate. The college has one of the largest libraries among the private colleges, some 150,000 volumes, with a planned goal of 250,000.

The college is administered by a Board of Trustees of nine members and a Board of Overseers with a large membership. Facilities of the college are extensive and reflect the blending of the old with the new.

Tracing its beginnings from 1890, Whitworth College since 1913 has been located in Spokane. It is associated with the Washington-Alaska Synod of the United Presbyterian Church. A co-educational, liberal arts institution the college in the immediate years ahead plans an enrollment expansion of about one-third including an increase in enrollments from minority groups. Also foreseen is development of evaluation procedures for courses and programs, an academic administration reorganization, and extension of some programs beyond the classroom.

Chapel is required of students as are certain religiously focussed courses. The curriculum was recently reorganized on the 4-1-4 plan. Among special programs offered are Project Able and Project Opportunity. The former focusses upon students with potential for college work, but whose high school records are not strong. The latter for students from disadvantaged socio-economic backgrounds, who require special assistance in adjusting and persisting in college.

The college physical plant is well-maintained and of a unified architecture. The library contains approximately 60,000 volumes. The college is governed by a Board of Trustees of approximately 40 members from all walks of life.

Programs Offered

As Washington private higher education consists primarily of small institutions, great diversity of programs offered is not to be expected, nor is it in fact the case. Graduate programs are limited in the main to teacher education and business. Professional education appears in schools of engineering, nursing and the one school of law. No doctoral programs are offered and only a limited number of masters programs outside the areas mentioned. Undergraduate curricula, with few exceptions, are those found typically as the core curricula in any four-year institution.

A survey of catalogues and degree majors (see Appendix A for complete listings) discloses that all colleges award baccalaureate degrees in biology.[3] PLU and Seattle University offer graduate degrees in natural science and Seattle University and UPS baccalaureate degrees. Gonzaga, PLU, St. Martin's, Seattle University, UPS, Walla Walla and Whitworth have degree programs in business administration and related subjects. Four of the schools: Gonzaga, PLU, Seattle University and UPS have graduate programs culminating in the MBA; generally geared to the part-time evening student.

Art and music are concentrations at all colleges, save St. Martin's which offers a degree in music only. Speech or drama options are offered at all colleges. As noted, all colleges offer programs leading to elementary and secondary teaching credentials. Gonzaga, SPC, Seattle University, UPS, Walla Walla and Whitworth offer graduate programs and masters level de-

[3] Northwest College of the Assemblies of God is not included in this summarization due to its limited four-year curricula. The college offers a BA with majors in biblical literature, Christian education and missions, and a bachelor of theology degree. The Associate of Arts degree is also offered in social studies, humanities and natural science and mathematics. Walla Walla College is the only other college awarding the two year degree.

grees. SPC offers a major in religious education at the bachelors level; Seattle at the masters.

Engineering programs are found at four colleges. Gonzaga offers degrees in civil, electrical, mechanical and engineering science. St. Martin's has a program in civil engineering while SPC offers an engineering science major. Walla Walla College provides a general engineering major. Seattle awards baccalaureate degrees in civil engineering, and bachelors and masters in mechanical and electrical engineering. A graduate degree in engineering is awarded as well.

All of the colleges offer degree programs in French,[4] all but one (St. Martin's) majors in German and all but two in Spanish (PLU and Whitman the exceptions). Latin and Greek are provided at Gonzaga, PLU, SPC and Seattle. English is offered as a major at all colleges with two, Gonzaga and Seattle,offering masters degrees. Four colleges (PLU, Seattle, Walla Walla and Whitworth) have journalism majors -- PLU's on the graduate level. All but Fort Wright and Walla Walla offer degree programs in philosophy and Gonzaga offers a masters as well. Religious studies or theology are presented for undergraduate majors at Fort Wright, PLU, Seattle University, UPS, and Walla Walla with Gonzaga and SPC offering both undergraduate and graduate degrees. Whitworth sponsors a masters level program only.

Mathematics is a major in all colleges with Gonzaga and Seattle (MS in natural science) presenting graduate programs.

A student may major in physical education at PLU, SPC, Seattle University, UPS, Walla Walla and Whitworth.

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4 Or degree in modern languages with an emphasis in the particular language.

Chemistry is offered as a degree major by all colleges; geology by two: UPS and Whitworth. Physics is a degree program in all colleges save St. Martin's with SPC and Seattle University (natural science) awarding the MS degree. Two colleges, PLU and Seattle University ,also offer general science curricula.

Among the social sciences, all but Fort Wright and Walla Walla offer baccalaureate programs in economics. Gonzaga and UPS offer masters programs. History is presented at all colleges with PLU, Gonzaga, and Seattle University offering the masters degree. Seven colleges offer bachelors in political science (Gonzaga, PLU, SPC, Seattle University, UPS, Whitman and Whitworth) and the same seven, degrees in psychology. All institutions award degrees in sociology; Gonzaga also offers an MA. Two colleges, SPC and UPS, authorize sociology-anthropology concentrations.

In the allied health fields, nursing programs are found in six of the colleges: Fort Wright, PLU, SPC, Seattle, Walla Walla and Whitworth. Fort Wright and Whitworth participate in a joint program with public institutions. Seven of the schools have medical technician programs (typically three years of residence work with one year hospital experience and the degree awarded at the end of the on the job training). They are: Fort Wright, Gonzaga, PLU, Seattle University, UPS, Walla Walla and Whitworth. Dental hygiene is offered by Walla Walla and occupational therapy by UPS. A degree in medical science is offered by Gonzaga, and Seattle University offers a degree in clinical chemistry while Walla Walla has a program in biophysics. Programs are presented in medical records at Seattle University and Whitworth.

Home economics is found at five colleges: Fort Wright, SPC, UPS, Walla Walla and Whitworth.[5] The programs unique to one college among the Washington institutions are: law, Gonzaga; industrial education and technology, a baccalaureate and associate program at Walla Walla; urban studies, an inter-disciplinary program at PLU; Italian studies, Gonzaga; American studies, Whitworth (inter-disciplinary); speech and hearing therapy, Walla Walla; military science, Seattle; and classical civilization, Gonzaga.

Enrollments

In the fifteen year period, 1954 to 1969, Washington private colleges and universities have increased the numbers of students served by almost one hundred percent. In this time period enrollment totals grew from 9,705 F.T.E. to 19,981 F.T.E.[6] (See Table I-1). However, even with this substantial enrollment expansion, the private institutions' proportionate share of total higher education enrollments declined. In 1954 private college enrollments were some 29% of the total F.T.E. in Washington four-year institutions. By 1969 that proportion had declined to 22%. When community college enrollments are taken into account, the proportionate share in 1969 was less than 14% of the total F.T.E. of 138,895 in institutions of all levels.

Annual enrollment data for each institution, Table I-2, shows that since 1966 enrollments have reached a plateau, though it should be noted

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[5] Seattle University is phasing out its major.

[6] F.T.E. or full-time equivalent student is a derived figure representing the total number of credit hours (equivalent) generated divided by 15 -- the typical academic course credit load for a full-time undergraduate student. Actual numbers of students enrolled usually exceeds F.T.E. totals, therefore headcount enrollment for the fall term 1969 in the independent colleges was some 20,000.

TABLE I-1

COUNCIL ON HIGHER EDUCATION
FULL-TIME STUDENT EQUIVALENT ENROLLMENT STATISTICS
FOUR YEAR STATE AND INDEPENDENT COLLEGES AND UNIVERSITIES
AND COMMUNITY COLLEGES

	Independent Colleges and Universities*	Four Year State Colleges and Universities*	Community Colleges**
1954	9,705	24,197	
1955	10,988	24,293	
1956	11,508	26,747	
1957	11,973	27,418	
1958	12,529	29,409	
1959	13,225	31,522	
1960	14,160	33,818	
1961	14,906	35,854	
1962	15,800	37,070	15,739
1963	16,322	40,177	17,124
1964	17,078	44,469	21,691
1965	18,412	49,390	27,797
1966	18,324	52,961	31,453
1967	18,597	56,481	42,124
1968	18,672	61,660	46,310
1969	19,081	67,094	52,720

* Full-time Student Equivalent is an index derived from the total number of registered academic credit hours divided by 15.

** Total number of credit hours or credit hour equivalents for non-credit programs including -- academic, occupational, adult education and community service programs -- divided by 15.

TABLE I-2

COUNCIL ON HIGHER EDUCATION

SUMMARY OF FULL-TIME STUDENT EQUIVALENT[a] ENROLLMENT STATISTICS*
INDEPENDENT COLLEGES AND UNIVERSITIES
FALL TERMS 1954-1969

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	
Seattle University	2,045	2,712	2,709	2,647	2,755	2,816	3,144	3,441	3,528	3,718	3,759	3,862	3,414	3,553	3,320	3,103	
Gonzaga University	1,482	1,235	1,368	1,507	1,517	1,491	1,716	1,864	2,055	2,120	2,418	2,681	2,499	2,572	2,637	2,597	
University of Puget Sound	1,168	1,461	1,459	1,595	1,676	1,861	2,047	2,098	2,248	2,273	2,366	2,365	2,367	2,464	2,634	2,956	
Pacific Lutheran University	977	1,141	1,248	1,333	1,435	1,608	1,643	1,619	1,637	1,723	1,817	2,062	2,304	2,452	2,519	2,527	
Seattle Pacific College	866	939	932	1,034	1,026	1,090	1,158	1,250	1,485	1,613	1,623	1,790	1,926	1,868	1,759	1,838	*
Walla Walla College	825	1,053	1,184	1,180	1,188	1,305	1,289	1,274	1,373	1,252	1,336	1,612	1,631	1,507	1,512	1,662	
Whitworth College	805	816	929	901	1,023	1,101	1,094	1,186	1,290	1,337	1,413	1,413	1,377	1,328	1,385	1,371	
Whitman College	712	807	865	905	883	927	950	1,002	959	991	1,060	1,099	1,088	1,117	1,203	1,226	
St. Martin's College	212	252	270	320	323	342	363	402	454	433	423	553	658	648	690	713	*
Northwest College	203	180	155	162	208	188	212	217	170	260	276	404	467	535	558	548	
Fort Wright College	219	218	206	218	274	257	266	262	334	340	323	330	351	358	290	416	
St. Thomas Seminary	191	174	183	171	221	239	278	291	267	262	264	241	242	195	165	124	
TOTAL	9,705	10,988	11,508	11,973	12,529	13,225	14,160	14,906	15,800	16,322	17,708	18,412	18,324	18,597	18,672	19,081	

*SPC totals subsequently corrected to 1,767 from those provided the state; St. Martin's to 663. The revised figures are used in calculations in Chapter III.

[a] Full-time Student Equivalent is an index derived from the total number of registered academic credit hours divided by 15.

that two institutions, Seattle University and Seattle Pacific College, account for much of this flattening of growth as both experienced enrollment declines in the 1966-1969 period.

Additional perspective can be gained from examining available data on the flow of students among Washington institutions of higher education. Review of this data (Appendix B) discloses that the private institutions suffered a net loss of 145 students in 1969 to the public four-year colleges and universities within Washington and another 117 to the community colleges. (Data are not available on transfers to out-of-state institutions.)

This compares to net losses to four-year public colleges of 192 in 1967 and 451 in 1968. Similarly the community colleges received 38 more students in 1967 and six in 1968. The net loss in undergraduate transfers away from the private colleges and universities to the public four-year institutions can be understood to a degree because of costs of education, variety of program and other factors. However, a net loss to community colleges, even though small, appears to indicate that some of the independent institutions typically are not attractive to the community college transfer student who has completed his first two years of college in a local two-year institution and who wishes to go on to complete the B.A. As reflected in discussions during this study, the colleges are aware of the value in stimulating interest among community college transfers in attending the private college for their last two years of education. Greater success may be anticipated in such efforts as students who would otherwise have begun their freshmen years at public four-year institutions are diverted to community colleges because of enrollment limitations. These baccalaureate oriented community college students

may be receptive to transfer to the private college in part because the higher personal costs of attendance at a private college must be borne for only the two upper division years, rather than a full four.

Comparison of gross private and public higher education figures can be deceptive if the primary concern is the extent to which Washington residents are served. Whereas the bulk of public institution enrollments are residents of Washington, this is not the case among the private colleges. A recent national survey by the Office of Education examined student migration patterns in 1968. Data which were reported for the study are summarized in Table I-3.

These data show that approximately 35% of private institution enrollment in Washington in Fall 1968 were from other states and foreign countries while 11.4% of the public institution enrollments were not Washington residents. Data collected for this present survey for each private college is included in Table I-4. Gonzaga and Walla Walla draw more students from other states than from Washington.

The observation is often made by many private college leaders that high costs of tuition and corresponding decreasing interest from Washington students have forced the colleges to look to other areas for students. California, Hawaii, and Oregon are most often mentioned in this connection. They also note that current proportions of out-of-state students are higher than in the past, though data for the past two years indicates little change in this respect.

However one views the enrollment trends among the independent colleges and universities, the fact remains that enrollments are relatively static and intensive recruitment within Washington and in other

TABLE I-3

RESIDENCE OF STUDENTS ATTENDING COLLEGE
IN WASHINGTON STATE, Fall 1968

Attending in Washington From:	Public Institutions		Private Institutions	
	Male	Female	Male	Female
Washington	53,141	39,123	7,339	5,851
Far West:				
Alaska	289	164	77	113
Arizona	80	26	38	17
California	1,414	635	872	783
Hawaii	293	257	201	198
Idaho	433	204	236	252
Montana	332	173	251	296
Nevada	20	22	10	9
Oregon	840	448	825	905
Utah	107	36	20	21
	3,808	1,765	2,530	2,594
Other States	2,804	1,359	554	565
Foreign Countries	1,574	552	295	194
TOTAL OUT-OF-STATE	8,186	3,676	3,379	3,353
GRAND TOTAL	61,327	42,799	10,178	9,204

(Source: U.S. Office of Education.)

TABLE I-4

ENROLLMENT BY RESIDENCE
WASHINGTON PRIVATE HIGHER EDUCATION
Fall 1968 and Fall 1969

	Fall 1968				Fall 1969			
	Instate	Out-of-state	Total	Percent Out-of-state	Instate	Out-of-state	Total	Percent Out-of-state
P.L.U.	1,951	888	2,839	31.3%	1,958	825	2,783	29.6%
Seattle University	2,917	760	3,677	20.7%	2,738	730	3,468	21.0%
Seattle Pacific Coll.	1,382	613	1,995	30.7%	1,318	644	1,962	32.8%
St. Martin's	551	133	684	19.4%	641	115	756	15.2%
Fort Wright	221	133	354	37.6%	352	88	440	20.0%
Gonzaga University	1,209	1,437	2,646	54.3%	1,252	1,457	2,709	53.8%
U.P.S.	1,434	853	2,287	37.3%			2,660	-
Walla Walla College	639	894	1,533	58.3%	765	954	1,719	55.5%
Whitman College	612	492	1,104	44.6%	602	519	1,121	46.3%
Whitworth College	1,079	515	1,594	32.3%	1,109	521	1,630	32.0%
Northwest College	301	247	548	45.1%	289	254	543	46.6%
TOTALS	12,296	6,965	19,261	36.2%	11,024	6,107	19,791	35.6%

Source: Washington Friends of Higher Education

states has been the rule in recent years. Thus the stable enrollment picture is in great measure the result of considerable time and effort of individual college administrations. In the case of some colleges expectations of substantial enrollment increases which were held only a few years ago have been replaced instead by a reality of small annual increases, if not declines.

Faculty

The success and quality of an academic institution is dependent upon the faculty as well as upon the characteristics, abilities and interests of the students themselves. Securing and retaining quality faculty is of concern to all institutions. Necessarily salary levels are important even to the college with students and faculty drawn primarily from one religious group.

The most recent reports from the American Association of University Professors includes the data summarized in Table I-5 for several of the Washington colleges and universities, public and private.

These data indicate that some of the private institutions have maintained a comparable parity with the salary levels of public colleges and universities in the state. Gonzaga, Pacific Lutheran, Seattle University, UPS and Whitman fall generally within this category. Whitworth and Seattle Pacific College, however, report salary levels substantially below the other colleges and universities reporting.

Since salaries and wages are the largest part of any college operating budget, salary increases which may have been foregone in the past are an indirect way of causing the faculty to underwrite a portion of

TABLE I-5
FACULTY COMPENSATION, WASHINGTON HIGHER EDUCATION

Name of Institution **	(1) Index Grades of Compensation * 1969-70 Avg. Scale	(1) Min. Scale	(2) Grade of Average Compensation and Number of Faculty by Rank, 1969-70 Prof.	Assoc.	Ass't.	Instr.	(3) Average Compensation, Full-time Faculty (Status of Report) 1969-70	1968-69	(4) Average Salary, Full-time Faculty 1969-70	1968-69	(5) Full-time Faculty Comp. per Student-Equivalent	(6) No. of Full-time Faculty Members 1969-70
Central Washington State College	C	B	C,46	B,118	A,149	A,6	$12,765	$12,222	$11,618	$10,954	$ 676	369
Eastern Washington State College	C	B	+B,50	-B,60	A,164	-A,22	12,850	12,437	11,645	11,243	602	298
Gonzaga University	+C	C	+C,11	+B,21	B,36	+A,18	11,394	10,263	10,323	9,434	NA	86
Pacific Lutheran University	C	B	C,19	B,32	B,47	B,28	11,329	10,909	10,090	9,679	592	126
Seattle Pacific College	-E	D	-E,27	D,19	-D,25	-D,16	9,600	9,194	8,753	8,368	468	87
Seattle University	C	B	C,30	B,45	B,54	B,12	12,298	11,755	11,163	10,623	NA	141
Shoreline Community College	C	+B	C,11	B,19	+A,87	+AA,6	12,222	10,950	11,259	10,071	436	123
University of Puget Sound	C	C	C,34	B,30	B,48	AA,8	$12,212	$11,337	$10,321	$ 9,616	$ 674	138
University of Washington	B	B	B,549	A,425	A,439	A,19	15,870	14,931	14,302	13,429	NR	1,485
Univ. of Wash.: Preclin.Med.Sch.	-	-	-	-	-	-	NR	NR	-	-	-	-
Washington State University	B	B	B,273	B,256	A,303	-A,13	14,624	13,665	13,426	12,583	NR	845
Western Washington State College	C	B	C,89	B,135	+A,138	A,20	13,100	12,145	12,017	11,134	618	413
Whitman College	C	B	C,23	-C,16	B,22	A,16	12,315	11,863	11,388	10,923	865	78
Whitworth College	D	C	D,19	-D,15	C,28	B,7	10,885	10,190	10,019	9,417	731	70

* AAUP Scales, 1969-70

Average Scale	AA	A	B	C	D	E	F
Professor	$28,490	$22,680	$17,940	$14,350	$11,500	$9,500	$8,440
Assoc.	16,350	14,240	12,560	10,970	9,500	8,340	7,600
Assist.	12,600	11,290	10,909	9,050	8,190	7,490	6,960
Instructor	9,500	8,760	8,100	7,530	7,050	6,650	6,330
Min. Scale							
Professor	18,820	15,790	13,150	10,990	9,260	7,970	7,120
Assoc.	13,710	11,890	10,290	8,910	7,800	7,920	6,290
Assist.	10,180	9,060	8,070	7,240	6,530	5,980	5,560
Instructor	7,660	7,050	6,540	6,090	5,690	5,340	5,180

Source: American Association of University Professors, Committee Z report, 1970.

** Fort Wright, Northwest, St. Martins, Walla Walla not reporting. Contributed services account for a large proportion of teaching at Fort Wright and St. Martin's. See section on the financial status of private higher education.

the educational program. Though dedicated faculty do in fact remain at institutions despite low levels of compensation, there is presumed to be a point in time when well-qualified faculty leave and able replacements cannot be recruited. This is a concern for some of the Washington private colleges and universities.

Conclusions

The review of the general characteristics of the colleges and universities, their programs, enrollments and other aspects leads to the initial observation that though offerings among the colleges are not markedly dissimilar, their approaches and styles of higher education are. In this sense the private colleges and universities as a group present the student with clear choices among the group as well as with the publicly sponsored institutions.

Serving diverse geographical regions of the state, the colleges offer higher educational opportunities to a substantial number of students both from within Washington as well as other states and foreign countries. With one exception, the private institutions accommodate students with varying academic abilities from the very able to those who are college capable. The exception, Whitman College, directs its program in great measure to the academically superior.

The private colleges and universities of Washington are predominantly religiously-oriented institutions. With the exception of Whitman College and University of Puget Sound the institutions maintain close identification with sponsoring religious groups. In most instances curricula is cast within a general value system in consonance with the teachings of the sponsoring church.

Discussions with college officials, supported by data included in the chapters following, reflect a widespread concern for the future of private higher education in Washington. For some colleges this concern is most urgent. Where interest in formal plans has been lacking in the past, today there is much greater agreement on the need to attempt to design the future of each college, as well as to work as a group and to undertake joint efforts -- such as providing data and information for this present study. Some significant steps have been taken among the colleges. However, it must be pointed out that most of the colleges surveyed could not point to an existing academic plan or that one was underway; nor could many cite existence of a financial plan.

The Council finds that the private colleges and universities of Washington offer higher education programs not only of need to the state, but of a diverse character which provides the student a valuable element of choice in the character of institution he wishes to attend. It is in the public interest that this diversity be preserved.

The Council commends efforts of the private colleges and universities to work individually and collectively to improve their situation.

Internal reviews of curricula, need for courses offered , and finances and facilities required, are essential to assuring sound institutional decision-making. In this context many of the institutions should take steps to more closely examine their current situations and develop plans for the future.

CHAPTER II

PHYSICAL CAPACITY AND SERVICE POTENTIAL

An important element in considering possible programs for State assistance to private colleges and universities is the extent to which the institutions are presently able to accommodate existing enrollments as well as the numbers of students which might be served should a State program be developed to the end of diverting potential public college enrollments to the independent schools. To explore this question, the Council on Higher Education appointed a Task Force on the Physical Capacity of Private Higher Education. This committee was asked to develop a statement of present and projected physical capacity towards determining the extent to which the institutions may accommodate additional enrollments.

The Task Force, with the assistance of the Washington Friends of Higher Education, collected space inventory data from each of the colleges. Existing inventories which were developed with funding from the Higher Education Facilities Commission in 1967 were up-dated for the survey by each college.[1] Additional information concerning numbers of faculty and staff requiring space, the pattern of student course work, laboratory and classroom, etc., was collected. This material was analyzed in terms of space utilization standards which are similar to those used in studying capacity for public four-year institutions. The result was a physical capacity total for each college which though theoretical, is nevertheless a reasonable approximation of the numbers of students

[1] The Task Force supplied expertise where required to assist in the up-dating.

which might be accommodated in the existing facilities taking into account the general program offered by the college.

In making its report to the study Steering Committee the Task Force stated:

> Members of the Task Force discussed the requirements for a comprehensive study of this sort and concluded that the time allowed for the project was not sufficient for a difinitive study and report. They recognize that the proposed system takes a rather simplistic view of the determination of institutional capacity. With those constraints in mind, the determination of student capacity was accomplished.
>
> This report and study does not consider institutional capacity for 1975 and 1980. Funding sources for capital additions are not nearly certain, even though the building may be essentially already planned. However, it should be noted that on the whole none of the colleges project major building programs at this time. Nor did the Task Force feel that it could determine with any validity the kinds of academic programs at each institution that could accommodate additional students. Sufficient time was just not available to undertake an in-depth study of each institution's programs -- which would be basic to such a determination.
>
> The Task Force is presenting a basic model for calculating the capacity of the independent institutions of higher education. Members of the Task Force recommend that the figures included in this report be used only as preliminary data and thorough study of each institution's capacity be undertaken if there is need for definitive capacity data by the state. An institution's physical capacity depends upon many variables; among the most important are: the different subject fields taught; level and mix of the student body; emphasis upon laboratory study and experimentation; extent of graduate programs; classroom and laboratory utilization; housing policy; provision of study spaces in residence halls instead of in the library; use of temporary or obsolete facilities; adequacy or quality of existing space for current programs; development of new programs or fields of study; interchangeability of space; teaching methods and schedules at each institution; remodeling or renovation needs; effect of different terms (quarter, semester, 4-1-4) upon the utilization of space; average student load in terms of contact hours in classrooms and laboratories; current programs at each institution; and even the definition of a "student" -- daytime, evening, full-time, part-time, on-campus, off-campus, full-time-equivalent, and full-fee-paying.
>
> Furthermore, to the extent that independent institutions may select their mission, student capacity also proceeds from other educational policies that may be in effect but have not been considered here.

Table II-1 summarizes the results of the survey. (Detail on standards used, method and data for each college is included in Appendix C.)

The Task Force survey discloses that application of the public college standards to the existing inventory of college instructional facilities results in a finding that some 6,233 additional students might be accommodated above present enrollment, or about 35% more students than are now being served. All colleges, except St. Martin's, were found to have additional capacity, according to the inventories provided and the standards applied.

However, the number of student spaces which result from a given standard applied uniformly across several different kinds of institutions in differing geographical locations is merely a <u>suggestion</u> of the numbers of students which might be accommodated. Furthermore, the fact that a given number may be served does not necessarily imply that a college should in fact enroll additional students in the numbers indicated by the standards applied. Most importantly, the standards used by the Task Force assume that the surplus in one kind of physical space is convertible to another purpose in order to serve additional enrollments if need be -- for example, conversion of laboratory space to classroom use or study space to lecture purposes. While in some instances conversion may be feasible and accomplished at modest cost, in others it may be more costly than constructing wholly new facilities. A number of factors must be considered in determining whether a college should serve more students. The college which has constructed facilities for a given number of enrollments which has not been realized may quite efficiently serve additional students especially if the required staff is already on hand in the appropriate disciplines.

TABLE II-1

SUMMARY

PHYSICAL CAPACITY OF PRIVATE HIGHER EDUCATION IN 1970

BASED ON INSTRUCTIONAL SPACE ONLY

Institution	Enrollment[1] 1969	Current ASF[2] Per Student	Existing Minus Required	Additional Capacity
Fort Wright College	440	72	+22,581	314
Gonzaga University	2,315	67	+20,669	309
Northwest College	544	44	+ 1,731	39
Pacific Lutheran University	2,274	55	+25,309	460
St. Martin's College	753	56	- 4,608	- 82*[3]
Seattle Pacific College	1,962	59	+18,395	312
Seattle University	2,851	57	+114,988	2,017
University of Puget Sound	2,660	57	+47,673	836
Walla Walla College	1,715	74	+30,292	409
Whitman College	1,121	74	+35,453	479[3]
Whitworth College	1,371	50	+52,906	1,058
TOTAL	18,006			6,233

* Not subtracted from total.

[1]Full-time headcount, excluding night and off-campus enrollements (Gonzaga law included). Whitworth enrollment data is in terms of F.T.E.

[2]Required number of sq.ft. derived from standards as modified by existing program (lab v. non-lab), divided by enrollment.

[3]St. Martin's and Whitman, using internal standards, arrive at capacity conclusions substantially different from Task Force findings. St. Martin's estimates they accommodate an additional 1,000 students. Whitman could handle only an additional 25-50. (See Appendix C for institutional calculations.)

However, the college which must add faculty, perhaps reassign space, and expand supporting services in order to absorb additional enrollments should look very closely at proposals directed toward expansion.

Recognizing the many variables, the colleges were asked to provide estimates of the number of students they believed they could accommodate taking note of the capacity figures developed by the Task Force and modified by factors unique to the institution and not reflected in the standards. Two colleges indicated some significant differences. St. Martin's College reported that through more efficient course scheduling and conversion of existing space to classroom use, the college capacity could be increased to 1,000 in contrast to the calculation resulting from application of the Task Force standards. Whitman College, pointing out that the standards used assume a flexibility in the use of space and fail to take note of individual programs and needs, estimates they could accommodate an additional 25-50 students, rather than the much larger number calculated by the Task Force. The college also stressed the burden of costs entailed when expanding enrollments in some instances and the inter-relationship of housing and college capacity, a factor of particular importance for colleges located in small communities.

Recognizing the several qualifications which must be attached to any estimate of the number of possible, additional students which could be accommodated above present enrollments,

> *The data substantiates that Washington private colleges and universities which now serve approximately 20,000 persons could accommodate additional students within their existing physical plants. The eleven institutions could accommodate up to one third more students based on analysis applying space utilization standards comparable to those used for public four-year colleges.*

The findings of the survey also demonstrate in some degree the end result of the building programs pursued by several of the colleges which assumed greater enrollment growth than has in fact been the case. For at least one institution the figures represent student space formerly filled, but now vacant because of enrollment declines.

CHAPTER III

FINANCIAL STATUS

The Council on Higher Education in developing this report has put special emphasis upon the preparation of as complete and accurate a statement of the financial status of the private colleges and universities in the state as is possible. Such a statement was deemed essential for the Council to fully understand the problems facing the institutions, and to develop possible recommended programs to assist in their solution.

A Task Force on the Financial Status of Private Higher Education was appointed to supervise the collection of necessary data from the colleges, and to assist in developing conclusions for the study Steering Committee and the Council itself. The Task Force selected Touche Ross & Co., financial management consultants, from among other qualified firms, to analyze and verify available college financial reports. Primary data included in the analysis was the annual Higher Education General Information Survey of the Office of Education (HEGIS) and annual audit reports prepared for each college by independent auditors. The Touche Ross & Co. staff were also asked to develop short term projections to 1975 within the framework of assumptions approved by the Task Force. The result of this effort has been probably one of the most comprehensive, comparative statements of the actual financial conditions of a state's private colleges and universities yet developed nationally. This was made possible by the full cooperation of the institutions in supplying data and their willingness to answer subsequent questions and supply additional figures. During the course of the survey at least two visits were made by the Touche Ross

staff to each campus and the appropriate administrative staff consulted on the final sets of figures presented herein.[1]

Examination of the institution's financial status reports show that several of the Washington private colleges and universities face severe financial difficulties and will continue to do so in the immediate years ahead.

After review of the data for each college the Task Force concluded:

1. *Meeting the debt service requirements is one of the most significant problems facing most of the private colleges and can mean the difference between operation in the black and deficits. Since debt service is principally related to auxiliary enterprises, it is essential for the private colleges to maintain a high level of occupancy in its resident campus program; obviously, this is related to maintaining an optimum enrollment.*

2. *Lack of adequate supporting endowment funds (with the exception of one institution) leave no alternative for Washington private institutions but to rely on tuition as its major source of revenue in the coming five-year period.*

3. *Gift income which might have been directed to endowment in the 1960's was consigned to building funds to provide for expanding enrollment. As a consequence, the State's private colleges have an extremely valuable physical plant capable of absorbing many more students.*

4. *It is unlikely that future undesignated gifts will be allocated to endowment because of the private colleges' imperative needs for current operating income.*

5. *Rapidly rising costs of operation and the necessity of competing with all institutions for quality faculty members force the private colleges to increase steeply their only major source of income, tuition.*

The Task Force classified the colleges studied within three general categories of financial strength based upon current and projected income and expenditures:

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[1] Data are not included for Northwest College of the Assemblies of God.

Financially secure at present.

Walla Walla College and Whitman College

Financially secure but could incur major deficits due to limited endowment and lack of other financial resources.

Pacific Lutheran University and University of Puget Sound

Definite financial difficulties at present and in the future due to either deficits anticipated to meet debt service requirements or shortages of operating funds:

Fort Wright College, Gonzaga University, Seattle Pacific College, Seattle University, St. Martin's College and Whitworth College.

The above general conclusions are based upon review of present and projected current fund profiles for each college.

In viewing this current fund data, it must be remembered that the typical private college and university is dependent primarily upon income from tuition and fees. Thus changes in enrollment may have major impact on a college's balance sheet. As that income fails to keep pace with demands made upon it, then financial difficulties are inevitable unless other sources are found.

Tuition and fees for 1970-71 for the colleges surveyed were as follows:[2]

Fort Wright College	$1200
Gonzaga University	1420
Pacific Lutheran University	1570
St. Martin's College	1460
Seattle Pacific College	1560
Seattle University	1287
University of Puget Sound	1710
Walla Walla College	1605
Whitman College	1860
Whitworth College	1590

[2] Provided by Washington Friends of Higher Education

While these charges are substantially above the fees charged students attending public colleges and universities in Washington,[2] they are lower as a group than tuition and fees of many independent institutions in other areas which are often in excess of $2,000.

Examination of the Current Fund profiles summarized in Table III-1 for each of the colleges discloses that the ten institutions in the aggregate in 1969 received $39,741,629 but faced expenses of $42,689,636. Five colleges were found to have incurred deficits in fiscal year 1968, eight in 1969, and six estimated in fiscal year 1970.

Significant deficits are projected for most of the colleges through 1975. (See Appendix D for description and financial detail for each college and a description of the guidelines used in gathering and presenting data.) In preparing projections, the following Task Force-developed guidelines were employed:

a. Existing Council on Higher Education full time equivalent enrollment projections to Fall 1972 (converted to fee-paying students) were used with the 1972 figure carried forward to 1975 as a constant. Future tuition was calculated upon known, planned increases or on the basis of 5 percent per year. The Task Force points out that since these calculations represent some 80% of the income for most of the colleges, a slight change in enrolment or tuition level results in major income variations.

b. In projecting income from gifts, the average of known recent, annual experience was used with a 5 percent annual increase for each year of projection.

c. Projections of contributed services were based upon the information available from those colleges where such services are rendered.

d. Education and general expenditures were projected with an annual increase of five percent per year.

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[2] U.W. and W.S.U. currently charge $432 for residents; $1200 for non-residents. State college fees are $320 and $720 respectively

TABLE III-1

SUMMARY OF CURRENT FUND PROFILES
WASHINGTON PRIVATE COLLEGES AND UNIVERSITIES
1968 to 1975

Institutions	1968 (actual)	1969 (actual)	1970 (actual or est.)	1971 (proj.)	1972 (proj.)	1973 (proj.)	1974 (proj.)	1975 (proj.)
[illegible]								
a. Income								
Tuition & Fees	261,903	261,771	287,348	337,600	580,000	620,000	663,000	709,000
Other	537,539	524,638	610,516	532,442	552,500	567,500	583,500	600,500
Total	799,442	786,409	897,864	870,042	1,132,500	1,187,500	1,246,500	1,309,500
b. Expenditures								
Total	863,836	1,012,859	1,010,669	1,131,527	1,178,000	1,232,000	1,287,000	1,346,000
c. Net Revenues	(64,394)	(226,450)	(112,805)	(261,485)	(45,500)	(44,500)	(40,500)	(36,500)
[illegible]								
a. Income								
Tuition & Fees	2,740,311	3,069,278	3,541,931	3,590,000	3,874,000	4,143,000	4,232,000	4,320,000
Other	2,197,931	2,387,681	2,607,729	2,922,000	2,990,000	3,047,000	3,101,000	3,160,000
Total	4,938,242	5,452,959	6,149,660	6,512,000	6,864,000	7,190,000	7,333,000	7,480,000
b. Expenditures								
Total	5,708,396	6,629,635	7,128,309	6,823,000	7,139,000	7,529,000	7,911,000	8,347,000
c. Net Revenues	(770,154)	(1,176,676)	(978,649)	(311,000)	(275,000)	(339,000)	(578,000)	(867,000)
[illegible] UNIVERSITY								
a. Income								
Tuition & Fees	2,734,186	2,794,395	3,344,100	3,725,000	3,911,000	4,107,000	4,412,000	4,628,000
Other	2,644,809	2,904,363	2,846,225	2,852,900	2,809,900	2,868,600	2,902,400	2,931,700
Total	5,378,995	5,698,758	6,190,325	6,577,900	6,720,900	6,975,600	7,314,400	7,559,700
b. Expenditures								
Total	5,266,978	5,782,216	6,184,784	6,434,670	6,748,870	7,035,770	7,329,370	7,631,370
c. Net Revenues	112,017	(83,458)	5,541	143,230	(27,970)	(60,170)	(14,970)	(71,670)
ST. [illegible]'S COLLEGE								
a. Income								
Tuition & Fees	651,000	672,016	776,743	800,000	824,000	849,000	874,000	900,000
Other	688,567	695,143	724,972	733,000	763,000	792,000	825,000	859,000
Total	1,339,567	1,367,159	1,501,715	1,533,000	1,587,000	1,641,000	1,699,000	1,759,000
b. Expenditures								
Total	1,388,236	1,507,467	1,552,653	1,629,000	1,710,000	1,801,000	1,890,000	1,984,000
c. Net Revenues	(48,669)	(140,308)	(50,938)	(96,000)	(123,000)	(160,000)	(191,000)	(225,000)
SEATTLE PACIFIC COLLEGE								
a. Income								
Tuition & Fees	2,093,150	2,114,000	2,350,000	2,673,000	2,806,650	2,946,983	3,094,332	3,249,049
Other	1,683,317	1,731,000	1,961,000	1,999,300	2,040,200	2,070,300	2,106,700	2,144,500
Total	3,776,467	3,845,000	4,311,000	4,672,300	4,846,850	5,017,283	5,201,032	5,393,549
b. Expenditures								
Total	3,752,249	4,190,245	4,701,920	4,935,000	4,961,000	5,150,800	5,270,300	5,541,700
c. Net Revenues	24,218	(345,245)	(390,920)	(262,700)	(114,150)	(133,517)	(69,268)	(148,151)

TABLE III-1 Page 2

SUMMARY OF CURRENT FUND PROFILES
WASHINGTON PRIVATE COLLEGES AND UNIVERSITIES
1968 to 1975

Institutions	1968 (actual)	1969 (actual)	1970 (actual or est.)	1971 (proj.)	1972 (proj.)	1973 (proj.)	1974 (proj.)	1975 (proj.)
[illegible] UNIVERSITY								
a. Income								
Tuition & Fees	3,719,686	3,910,415	3,929,423	4,165,000	4,498,000	4,858,000	5,247,000	5,667,000
Other	3,010,840	3,097,573	3,459,170	3,234,000	3,260,000	3,260,000	3,270,000	3,270,000
Total	6,730,526	7,007,988	7,388,593	7,399,000	7,758,000	8,118,000	8,517,000	8,937,000
b. Expenditures								
Total	7,328,236	7,681,158	8,769,132	8,481,000	8,823,000	9,085,000	9,631,000	9,653,000
c. Net Revenue	(597,710)	(673,170)	(1,380,539)	(1,082,000)	(1,065,000)	(967,000)	(844,000)	(716,000)
[illegible] OF PUGET SOUND								
a. Income								
Tuition & Fees	2,905,160	2,990,947	4,065,000	4,500,000	4,725,000	4,961,000	5,209,000	5,469,000
Other	1,859,174	1,974,105	2,090,000	2,307,000	2,476,000	2,659,000	2,858,000	3,072,000
Total	4,764,334	4,965,052	6,155,000	6,807,000	7,201,000	7,620,000	8,067,000	8,541,000
b. Expenditures								
Total	4,722,965	5,345,835	5,962,000	6,959,000	7,331,000	7,711,000	8,116,000	8,542,000
c. Net Revenue	41,369	(380,783)	193,000	(152,000)	(130,000)	(91,000)	(49,000)	(1,000)
[illegible] WALLA WALLA COLLEGE								
a. Income								
Tuition & Fees	1,745,544	1,818,004	2,213,678	2,889,000	3,155,000	3,334,500	3,520,000	3,710,000
Other	2,579,163	2,514,572	3,573,750	3,872,755	4,067,000	4,271,000	4,489,000	4,706,100
Total	4,324,707	4,332,576	5,787,428	6,761,755	7,222,000	7,605,500	8,009,000	8,416,100
b. Expenditures								
Total	3,851,030	4,142,117	5,537,031	5,885,088	6,158,400	6,419,600	6,717,700	7,034,200
c. Net Revenue	473,677	190,459	250,397	876,667	1,063,600	1,185,900	1,291,300	1,381,900
[illegible] COLLEGE								
a. Income								
Tuition & Fees	1,482,210	1,541,439	1,581,604	1,660,000	1,743,000	1,830,000	1,922,000	2,018,000
Other	1,786,372	1,804,412	2,166,035	2,178,000	2,309,700	2,446,600	2,581,900	2,722,900
Total	3,268,582	3,345,851	3,747,639	3,838,000	4,052,700	4,276,600	4,503,900	4,740,900
b. Expenditures								
Total	3,072,961	3,272,762	3,654,064	3,838,000	4,040,900	4,245,400	4,459,300	4,680,400
c. Net Revenue	195,621	73,089	93,575	-0-	11,800	31,200	44,600	60,500
[illegible] UNIVERSITY COLLEGE								
a. Income								
Tuition & Fees	1,478,880	1,457,528	1,542,890	1,615,500	1,728,000	1,849,000	1,978,000	2,116,000
Other	1,377,320	1,482,349	1,603,200	1,604,150	1,801,000	1,832,000	1,864,000	1,898,000
Total	2,856,200	2,939,877	3,146,090	3,219,650	3,529,000	3,681,000	3,842,000	4,014,000
b. Expenditures								
Total	2,918,975	3,125,342	3,573,431	3,755,367	3,951,000	4,127,000	4,273,000	4,469,000
c. Net Revenue	(62,775)	(185,465)	(427,341)	(535,717)	(422,000)	(446,000)	(431,000)	(455,000)

e. Student aid income and expenditures are projected to increase at the same rate as tuition and fee increases.

f. Income and expenditures for auxiliary enterprises were projected as a single figure and taking into account known changes, such as construction of a new dormitory.

g. External debt was projected to 1975. Inter-fund debt is not included in the debt service analysis.

Necessarily, the resulting figures projected cannot reflect many future decisions which could result in major changes in institutional direction.

It is important to note that the annual deficit for those colleges incurring them in the years of projection shown in Table III-1 are not carried forward into the following year. If they were, the deficits would be compounded annually. For purposes of data presentation it was assumed that the projected deficit in each year is met in some manner: special appeals for aid, cutback in projected levels of program, tuition increases beyond those projected or previously planned, assistance from the public treasury, or, additional borrowing. The last instance would, of course, add to college expenditures for debt service and debt retirement in the subsequent years. In summary, the method of projection is conservative and thus the magnitude of potential problems facing some of the colleges is probably understated. (Deficits shown for 1968, 190 and 1970 are carried forward in that when borrowing has occurred it is represented in new debt service demands caused by the resulting long term debt as shown in Table III-2.)

Review of data detail for each college and university indicates the importance that servicing of debt has for the present and projected demands upon college funds. These requirements are summarized in Table III-2.

TABLE III-2
DEBT SERVICE REQUIREMENTS
WASHINGTON PRIVATE COLLEGES AND UNIVERSITIES
1968 to 1975

		1968	1969	1970	1971	1972	1973	1974	1975
Pacific Lutheran	- Long-term debt (as of 7/1)	$ 882,428	$ 1,144,815	$ 1,110,555	$ 954,931	$ 873,177	$ 787,365	$ 697,020	$ 601,118
	Debt retired	20,912	28,896	34,260	65,486	81,754	85,812	90,345	95,902
	Debt additions	325,750	284,487	-	-	-	-	-	-
	Interest paid	31,709	39,412	46,000	58,830	50,611	46,269	42,498	36,941
Linfield	- Long-term debt (as of 7/1)	6,494,323	6,150,553	7,897,000	7,830,000	7,759,000	7,631,000	7,474,000	7,257,000
	Debt retired	297,132	363,278	552,000	67,000	71,000	128,000	157,000	217,000
	Debt additions	-	-	2,300,000	-	-	-	-	-
	Interest paid	224,884	252,251	334,000	415,000	406,000	400,000	390,000	380,000
Pacific Lutheran	- Long-term debt (as of 7/1)	6,681,583	7,215,100	9,345,600	9,189,500	8,979,400	8,759,000	8,528,500	8,289,200
	Debt retired	55,000	66,483	123,100	156,100	210,100	220,400	230,500	239,300
	Debt additions	-	600,000	2,253,600	-	-	-	-	-
	Interest paid	210,882	215,783	224,859	412,650	407,900	399,150	389,700	379,650
St. Martin's	- Long-term debt (as of 7/1)	1,815,000	1,781,000	1,745,000	1,710,000	1,675,000	1,634,000	1,593,000	1,552,000
	Debt retired	30,000	34,000	36,000	35,000	35,000	41,000	41,000	41,000
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid	54,000	53,000	52,000	51,000	50,000	49,000	48,000	47,000
Seattle Pacific	- Long-term debt (as of 7/1)	7,125,572(1)	7,047,490	7,008,696	6,718,600	6,418,000	6,118,000	5,818,000	5,518,000
	Debt retired	81,000	150,000(2)	167,000	350,076	300,000	300,000	300,000	300,000
	Debt additions	50,000	71,918	188,206	-	-	-	-	-
	Interest paid	183,013	180,000	200,000	200,000	200,000	200,000	200,000	200,000
Seattle Univ.	- Long-term debt (as of 7/1)	11,665,649	12,448,989	11,740,000	11,280,000	10,820,000	10,360,000	9,900,000	9,440,000
	Debt retired	503,223	467,818	708,989	460,000	460,000	460,000	460,000	460,000
	Debt additions	-	1,247,717	-	-	-	-	-	-
	Interest paid	503,401	276,091	529,000	487,000	467,000	447,000	427,000	408,000
UPS	- Long-term debt (as of 7/1)	5,255,000	5,065,000	4,915,000	4,802,000	4,675,000	4,546,000	4,414,000	4,280,000
	Debt retired	449,000(3)	190,000	150,000	113,000	127,000	129,000	132,000	134,000
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid		188,000	221,000	215,000	210,000	204,000	199,000	193,000
Walla Walla	- Long-term debt (as of 7/1)	1,018,673	690,109	917,385	861,000	561,000	261,000	461,000	461,000
	Debt retired	252,000	328,564	361,100	550,000	500,000	500,000	500,000	500,000
	Debt additions	-	588,276	588,276	500,000	200,000	200,000	700,000	500,000
	Interest paid	79,925	57,594	69,133	60,000	60,000	35,000	35,000	40,000

(1) Includes $491,324 of demand or short-term debt.

(2) Estimate - Payments become progressively higher, $5,629,000 worth of bonds issued 7/1/68.

(3) Includes interest.

TABLE III-2 (continued)

		1968	1969	1970	1971	1972	1973	1974	1975
Whitman	- Long-term debt (as of 1/1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Debt retired	-	-	-	-	-	-	-	-
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid	-	-	-	-	-	-	-	-
Whitworth	- Long-term debt (as of 1/1)	2,833,879	2,765,373	2,631,100	2,864,000	2,748,000	2,633,000	2,563,000	2,498,000
	Debt retired	71,402	68,506	134,273	82,100	116,000	115,000	70,000	65,000
	Debt additions	-	-	-	315,000	-	-	-	-
	Interest paid	72,949	83,798	82,950	79,000	86,000	82,000	79,000	77,000

From this it is seen that several of the colleges would not be incurring deficits but for heavy debt service requirements. These debts are primarily owed to Federal agencies for housing and food service facilities. Debt for housing is becoming a greater and greater problem as students increasingly do not wish to make use of college provided facilities. Vacant beds mean loss of income which should go to debt retirement. The deficit must be met from other income sources. In some instances, such as Seattle University, Seattle Pacific College, and Pacific Lutheran University, significant debt also exists in the form of notes owed commercial interests which normally carry higher interest rates than federally secured loans.

Many colleges over the nation can count upon endowment and investment income to supplement tuition and other income sources. In times of extreme emergency the principal of endowments and investments may be expended rather than resorting to borrowing to meet immediate needs. However, among the Washington private colleges and universities only two institutions, Whitman College and the University of Puget Sound, have endowments of any significance, and even then only Whitman could be said to have an endowment sufficient to provide the college with an annual income to assist the college to defray expenses as well as a substantial reserve to meet unexpected needs. Indeed six of the nine colleges for which data are available were able to realize less than $40,000 per year from endowment this past fiscal year as shown in Table III-3.

Continued support from a sponsoring group may function in lieu of an endowment. Of the colleges, Walla Walla, Whitworth, Pacifc Lutheran and the University of Puget Sound have received steady church group support with Pacific Lutheran University and Walla Walla receiving the more

TABLE III-3

ENDOWMENT PROFILE
WASHINGTON PRIVATE HIGHER EDUCATION

	67-68 Book value	68-69 Book value	69-70 Book value	69-70 Market value	69-70 Income earned
Fort Wright	$ 84,644	$ 83,998	$ 70,841	$ 39,752	$ 1,400
Gonzaga	781,402	622,155	878,819	855,954	17,568
Pacific Lutheran	662,885	735,184	621,926	587,060	37,298
St. Martin's	-	-	-	-	-
Seattle Pacific	1,950	1,950	1,950	unknown	12,000*
Seattle University	1,098,805	1,117,958	522,689	484,568	31,308
Univ. of Puget Sound	5,543,103	5,678,865	6,078,632	6,078,632	150,000
Walla Walla	219,177	203,397	229,935	229,935	18,400
Whitman	13,827,000	15,840,000	17,287,000	17,717,000	879,300
Whitworth	1,225,982	1,310,194	1,544,243	1,867,655	105,532

* Income earned on service station operation considered as endowment. No value has been determined for the station.

substantial annual contributions.

Another form of support are services, generally in the form of faculty time, contributed by a religious group which would otherwise have to be provided at substantially higher cost. Fort Wright, Gonzaga, St. Martin's and Seattle University all benefit in some degree from the contributed services of the members of the religious orders concerned.

Occasional annual deficits do not necessarily signal a deteriorating financial situation. However, the extent to which liabilities increase in proportion to assets is significant. Table III-4 summarizes the combined fund balances for the colleges as of summer 1970.

Finally, Table III-5 summarizes a number of aggregate measures related to the financial aspects of each of the colleges. This table shows that the cost of education as calculated by dividing FTE into the total of general and educational expenditures varies from a high of $2145 at one college to a low of $1183. The median cost is $1618. This may be compared to a similarly calculated median cost of $1334 per FTE among the Washington state colleges.

The level of faculty salaries, overall student to faculty ratios, the seniority of faculty by rank, program mounted, and class size are all major elements in the cost of education. Low cost may be the result of low salaries, large class size, and starvation of library and other support budgets as well as efficiency in operations. While such summary cost figures must be used with caution they do serve to illustrate the difficulty in developing any generalization about the costs of educating a student in a Washington private college or university.

TABLE III-4

COMBINED AND ADJUSTED FUND BALANCES
(Interfund accounts eliminated)

AS OF SUMMER 1970*

	Assets[1]	Liabilities	Adjusted fund balance
Fort Wright	$ 4,409,196	$ 1,552,915	$ 2,856,281
Gonzaga	21,362,994	8,992,510	12,370,484
Pacific Lutheran	27,334,857	12,486,649	14,848,208
Saint Martin's[2]	6,350,678	2,316,465	4,034,213
Seattle Pacific[2]	14,964,292	8,212,580	6,751,712
Seattle University	32,871,593	19,478,635	13,392,958
University of Puget Sound[3]	33,194,345	5,452,142	27,742,203
Walla Walla	14,744,275	1,452,318	13,291,957
Whitman	34,722,381	716,506	34,005,875
Whitworth	13,262,684	4,660,404	8,602,280

1 Assets include fixed assets at current dollar figure as filed with Washington Rating Bureau and market value of endowments.

2 Same as book values.

3 Same as book values for endowments.

* See also Appendix D, Schedule , Combined Balance Sheet Items, Book Value

TABLE III-5

FACULTY AND STUDENT PROFILE

AS OF SUMMER 1970

	General and educational expenditures[1] 1970 estimate	Number of FTE students[2]	FTE student cost	Number of associate and full professors[3]	Average annual Compensation[3]	Number of assistant professors[3]	Average annual compensation[3]	Number of other teaching[3]	Student faculty ratio	FTE faculty total[3]
Fort Wright	$ 689,897	416	$1,658	18	Contrib.	17	Contrib.	3	11:1	38
Gonzaga	4,177,564	2,597	1,608	65	$13,561	70	$10,963	35	15:1	170
Pacific Lutheran	4,114,871	2,527	1,628	51	13,731	75	10,684	16	18:1	142
St. Martin's	1,150,400	663	1,730	26	12,266	29	9,110		[illegible]:1	45
Seattle Pacific	2,733,920	1,767	1,547	57	10,717	52	8,646	15	14:1	124
Seattle University	5,570,239	3,103	1,795	93	14,242	99	10,837	8	16:1	200
University of Puget Sound	3,498,000	2,596	1,347	64	14,529	56	11,274	18	19:1	138
Walla Walla	2,482,949	1,662	1,493	39	10,400	32	9,500	20	18:1	91
Whitman	2,630,600	1,226	2,145	36	12,900	22	9,700	17	16:1	75
Whitworth	2,167,868	1,371	1,581	35	12,164	41	9,801	0	18:1	76

1 General and educational expenditures include: General administration and institution expenses, instruction and department research, libraries, student services, organized research and sponsored programs, plant operations and maintenance.

2 As reported to the Council on Higher Education, see Table I-1.

3 As reported to Association of American Colleges, June 1970 and as verified by campus visits, figures may vary from those reported by AAUP as shown in Table I-5.

Conclusions

Review of the financial data collected for this study and the field visits conducted by study staff and consultants leads the Council on Higher Education to conclude:

a. The financial situation of the majority of the colleges is quite grave. Six of the ten colleges reporting financial data face immediate fiscal difficulties and it is projected that this situation will continue in the years ahead. These institutions will be forced to dilute present quality of program, to limit offerings or to possibly cease operations if aid is not forthcoming. Four of the colleges are financially secure at present. However, at least two of these may face fiscal difficulties in the next few years and require outside assistance. Thus eight out of ten colleges may be required to look to new sources of funds in the immediate future.

b. The satisfactory financial condition of some of the institutions relates to sound fiscal policy and management over the years. The difficulties of some of the other colleges may in part be ascribed to limited attention in the past to these aspects of policy making and college management.

c. All of the colleges are taking steps in the effort to avoid financial emergencies; however, in some instances the solutions are not simple. Under utilized tenured faculty, high debt service requirements, and limited enrollment prospects (in part the result of high tuition and fees) make the future for some of the institutions most uncertain.

Increased fund raising efforts, more attention to developing fiscal controls, reduction and elimination of higher cost and low enrollment programs can be cited as steps which most of the institutions should take in the face of severe difficulties. However, the fact remains that despite ameliorative internal reforms substantial outside assistance will most probably be necessary in the immediate years ahead.

CHAPTER IV

ALTERNATIVE PROGRAMS FOR ASSISTANCE

A number of alternative methods are theoretically possible through which to extend public assistance to independent institutions, some of which might be applied in the Washington context. A fully exhaustive listing of all possible combinations and variations would serve little purpose. However, it is useful to consider selected typical approaches used in other states and programs which have been proposed by other study groups and researchers. These approaches and programs may be grouped in two categories: those methods which accord assistance to the student so that he may purchase his higher education at the institution of his choice, and those methods which give assistance to the institution itself. The former grouping may be thought of as affecting the demand for higher education, the latter the supply. Obviously a program could be devised (as indeed has been the case) which accords both assistance to students and which gives aid directly to the institution.

In the following, some of the program types are outlined briefly with comment concerning their strengths and weaknesses. These "models" are listed within the two general categories.

ASSISTANCE TO STUDENTS

Scholarship Aid

The most common method of giving some assistance to independent institutions is through a state scholarship or aid program. Generally such programs provide for according aid to students who have financial need

and who have demonstrated by high school record and test scores that they can successfully complete a higher education. Awards are typically made to the student himself and are based upon the fees which he must pay at the institution he chooses to attend. As a rule these programs benefit students attending both public or private institutions. In most states the total dollar awards in scholarship aid are in favor of private over public institutions, though the number of students benefited may be greater in public institutions. Today some 23 states have such programs with Illinois and California as notable examples.

COMMENT. From the institutional standpoint all aid accorded to the student is indirect. Availability of assistance in most scholarship programs enables the better student with a financial need to be able to choose the institution he wishes to attend, public or private, by reducing differentials in tuition at private colleges as compared to public. However, most programs do not fully equalize the student's cost of attending a private college compared to a public one. The private institution, itself, may supply other financial aids to make up any differentials. From the institution's standpoint the scholarship-type program can assist in attracting better students who might otherwise be forced to attend public institutions (or not at all) or for whom additional institutional aid funds would have to be made available. (The institution may then be in a position to give assistance to other students who are not scholarship holders.) On the other hand, the student, if he is in real need, will require a substantial stipend above and beyond his state scholarship aid which is typically limited to payment of a portion of his fees. It can be argued that when the state scholarship program results in a student attending a private college he would

not have otherwise attended, the college in providing him a space incurs costs in excess of any benefit from the state-paid tuition. This additional burden could tip the balance to a deficit operation. However one views the scholarship approach, it is unlikely that for every dollar in tuition fee paid by the state that the institution has a full dollar to spend at its own discretion.

Finally, it should be noted that the scholarship approach is essentially directed at stabilizing enrollment or its expansion. Effects of a state student aid program on quality and improvement of institutional financial conditions are at best quite indirect, and, perhaps most importantly, most difficult to demonstrate.

Student Loans

A state student loan program for higher education may be provided to supplement federal and institutionally based programs. Such loans can become part of the student's financial aid package. One advantage to loans is that they are not typically limited to fee payments but can be applied to living expenses as well. Loans can be guaranteed by the state with subsidized interest payments or made directly from a state fund.

COMMENT. In general the comments concerning scholarship aid apply. Experience with federal loan programs suggest they are of greater attractiveness to students from middle income groups as compared to those from the lowest groups. Similarly, they may appear more desirable to those students planning to enter better paying occupations. Some concern is now being expressed about the amount of debt students incur.

Tuition Equalization Grants

A variation of the scholarship program, a tuition equalization grant program could provide for the state to reimburse the student (or the institution directly) for a given percentage or dollar amount of tuition cost. This grant may be made available to all students or only to those students with demonstrated need. A program could provide a payment schedule based upon the difference between public and private college tuition up to a maximum dollar amount (Iowa) or it may pay tuition fees in excess of a set amount (Wisconsin, New York). This amount could be pegged at a level higher than the fees at public institutions -- thus only those students attending private colleges may benefit though theoretically the program could be open to all students. For example, if the public college fees were $500 per year and private $1500, the grant could provide up to $1000 as the differential for those students with proven need. Thus the state equalizes the burden on the student.

COMMENT. Impact on the institution is essentially the same under a tuition equalization plan as under a scholarship program. The notion of tuition equalization is usually applied to programs benefiting all students (or all those with need) regardless of academic performance. The impact of such a plan, however, may be much greater than the competitive student aid program in that it can be designed to encompass many students and allows the institutions to raise tuition with lessened impact on the student.

Voucher System

Recently considerable interest has been expressed in the use of vouchers as a vehicle to increase student options as well as to aid

private education. The use of vouchers has been suggested for use in K-12 programs wherein the local school district or the state could provide each family a voucher for an amount equal to the average cost of education in the public school system. The family may then "buy" the child's education as it wishes in public or private schools.

Proposals to apply the system in higher education vary in some degree with this K-12 model and are similar to the tuition equalization programs. They are based on the premise that the low tuition (or no tuition) approach to public higher education has resulted in practice in the poor, who pay taxes but who do not attend college in large numbers, underwriting college attendance by the financially secure who do attend college but who do not pay taxes fully proportionate to their ability. The argument continues that since individuals benefit economically from their higher education they should pay the full cost of education whether in public or private colleges. The state can provide a base assistance or "voucher" with supplementary aid for those unable to pay the balance. Based on this philosophy a recent report on education in Wisconsin states:

> The recommended plan requires all undergraduate students to pay the full cost of their education in the institutions which they attend. A plan of student financial assistance, ... would provide basic grants of $500 to all Wisconsin students and alternate grants to students whose individual and family resources fall short of their ability to pay the full cost. The amount of the grant would equal the difference between the ability to pay ... The students would receive vouchers from the state which ... would be exchanged for grants according to a payment schedule ...[1]

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[1] Preliminary Report of the Governor's Commission on Education (Madison, Wisconsin, March 1970), p. 59.

In effect the plan calls for increasing tuition at public institutions to full cost (presumably to levels similar to comparable private institutions), a voucher worth $500 for all students, and additional aid for those in greatest need. As the system operates private institutions would thus become competitive with public.

COMMENT. The notion of charging the full cost of education to students attending public institutions is foreign to many, particularly in the west. It can be stated that the economists argument of the poor underwriting of the rich through low cost public education may have some truth, but that low tuition public education has in fact made it possible for many persons from modest circumstances to attend college. Furthermore, a similar case can be constructed concerning many services. The proposal does have some appeal in that it may stimulate healthy competition among institutions and academic reforms in order to attract students. It seems likely in most states such a program could result in major enrollment shifts among institutions. If a comprehensive financial aid program is also provided, increased college-going rates on the part of lower socio-economic groups may be an additional benefit.

Tax Credit Plans

Special tax credits, advantages, or deductions, may be accorded families and businesses making contributions to higher education. For example, amounts of tuition paid may be allowed as a deduction on state income taxes or a direct tax credit may be given based on the amount contributed to a higher education institution either in the form of gifts or tuition. Under a plan in Indiana individuals and corporations may claim up to 50% of their contributions as a tax credit with a maximum of $50

for individuals and $500 for corporations.

COMMENT. Such approaches, though encouraging gifts or recognizing the financial burden placed on families assisting children through college, are quite indirect in providing assistance to institutions. Furthermore, from an individual standpoint, the possible benefits are not great and tend to be limited to individuals in higher tax brackets.

GENERAL COMMENT: STUDENT BASED ASSISTANCE PROGRAMS

An advantage of the student based program is found in its adaptability to the constitutional framework of most states.[2] In addition, the fact that the aid is placed in the student's hands tends to relieve the state from concern with the specific academic program or college chosen by the student. Questions of comparability with public and private approaches to education and costs need not necessarily arise. State audits are unnecessary, as is detailed reporting of data by institutions to the state.

Such programs give indirect assistance to the institution by easing present and future tuition burdens on students. If improvement in quality or performance of a needed service is desired, then the student based program is not an easily adaptable vehicle. (One could, of course, create a student aid program only for certain students. For example, aid to nursing students alone which would assist the independent institutions in maintaining and improving their nursing programs.) The student based program is designed typically to give the student a choice. With the

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[2] See Chapter V and Appendix E for discussion of constitutional issues in the Washington context.

element of choiceand changing student attendance patterns, it becomes difficult to assure a given level of assistance to a particular institution in the initial years of a program.

ASSISTANCE TO INSTITUTIONS

Direct Grants

A state may devise a program whereby direct appropriations are made to a given independent institution or classification of institution. Such a grant may be developed by a formula or be the result of the political decision-making process very much as any other state appropriation. Grants may be made toward assisting in general operating expenses for the total institution, or may be for a specific program such as a medical school. Pennsylvania has used such an approach in assisting its "state-related" and "state-aided" institutions for some years.

Direct Grants by Formula

The according of aid to institutions based upon some formula or unit is becoming a popular solution to meeting the needs of independent institutions. The number of degrees granted (New York provides $400 for each B.A. and $2400 for each doctorate) may be used as the unit with appropriations being made to eligible colleges and universities based on the number of degrees granted in a given year. Another approach is to provide funds based on the number of student credit hours produced or for each F.T.E. student (Oregon, for example, has contracted to provide $80 for each 45 quarter hours produced -- the equivalent of the number of hours for each F.T.E. in an academic year. Various combinations can be used. The study commission in Illinois recently recommended

that $500 be awarded for each State Scholarship grantee attending a private college, in effect an institutional supplement for accommodating a scholarship holder;[3] plus $100 for all other freshman and sophomore F.T.E. students, and $200 for all other junior and senior F.T.E. students.

Direct Grants or Loans for Facilities

Some states have provided funds for construction of facilities on a general basis, or for specific classes of facilities such as medical schools. State-backed loans rather than grants appear to be most often the rule.

COMMENT. The direct grant has merit in that funds can be made available directly to the institution for either general or specific purposes. The Illinois study group observed:

> The recommended grants will enable the institutions to begin to move in important ways to strengthen and improve their academic status and to lay the foundation for their subsequent development without incurring further deficits in the process. In particular, the grants will assist many of the institutions promptly to improve their faculty salary structure, strengthen their libraries, and reduce some of the backlog of deferred maintenance.
>
> The total amount of assistance has been set at the 5 percent level (of total current operating expenditures) by giving due weight to the current financial situation of the institutions; the costs of initial steps to improve faculty salaries, lessen deferred maintenance, and improve libraries; and the prospective deficits which threaten to become general in the very near future. In the Commission's judgment, the total will be adequate to begin to do what is necessary now.[4]

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[3] Matching grants to institutions for scholarship holders attending those institutions combines both the student oriented and institutionally based approaches to aid. Such programs may tend to favor the stronger institutions which are likely to be the most attractive to students.

[4] The commission to study non-public higher education in Illinois, Strengthening Private Higher Education in Illinois, (Springfield, Illinois: Illinois Board of Higher Education, 1969), p. 47

However, this may tend to assume that enrollments will remain constart in the private colleges and universities. The basing of grants upon output measures may work to encourage enrollment expansion through efficient facility utilization which may be to the state's benefit, but in the long run, not necessarily the institution's.

A report evaluating the first year's operation of the extensive New York program concludes:[5]

> 1. The formula (awards based on degrees granted) does have the merit of rewarding productivity . . .
>
> 2. The formula does not compensate for differences in the private resources of the institutions as indicated by investment portfolios and income sources other than tuition. Correlation ratios show that the amount of aid received by each institution seems to bear no consistent relationship, either directly or inversely, to those variables which might be considered pertinent, including costs of programs, expenditures per student, facility needs, general financial condition, and . . . endowment and sources of income other than tuition . . .

In part, based on the observation in the above, New York is attempting to explore weightings by both degree levels and fields reflecting actual costs, and to develop criteria for aid reflective of the private wealth of the institutions, their expenditures, and their operating efficiency.

An argument in favor of the direct, non-specific "shot-gun" approach is that even though it may aid indiscriminately, it is a more economical alternative than the state assuming full control of a collapsing private institution. The direct grant as well as other approaches, may require the independent institution to be more accountable to the state than might otherwise be the case. This concern should be weighed in considering any direct grant program.

[5] Norman A. Mercer, "Year-End Status of the Program of State Aid to Non-Public Colleges," (Albany: University of New York, December 16, 1969), Xerox.

Contract for Space or Services

A variation of the direct grant is a program whereby the state may enter into a contract or agreement with an institution to provide for a specific service or a given number of student spaces. The latter approach has been recently adopted in Connecticut. The state may contract for instruction in specific areas. Some states, for example, contract for agricultural education, veterinary medicine, engineering, or various kinds of research. Agreements can be specific as to number of student spaces to be provided in a given subject field or simply "X" dollars for general educational services provided.

COMMENT. A consultant's report for the Washington TACPHE[6] study of January 1969 outlined some advantages of the contract approach:

1. It could be a means for avoiding indiscriminate financial aid either to institutions or to individual students. The logic of contracting is that the state has certain defined educational needs and that it seeks to meet these needs by securing some part of those educational services from private institutions at the same time that it is securing the remainder of them from public colleges and universities.

2. Use of the contracting mechanism might necessitate sounder state educational planning . . .

3. The state would not be required to underwrite the costs of all of the programs being operated by an individual institution . . .

4. . . . It might induce a much more careful system of cost accounting, and hence financial accountability . . .

Additionally, a contract approach may not raise the full range of constitutional and public concerns as would a direct aid program be

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6 Higher Education in Washington, The Temporary Advisory Council on Public Higher Education, January 1969.

inaugurated benefiting the entire institution's program.

On the other hand, the more specific the definition of service to be provided, such as a number of student spaces in a given program, there is potentially lessened direct impact on the total institution. While a single program might be improved through state assistance, the spill-over effect upon the total program may be insufficient to affect the institutional situation in general. Furthermore, there may be difficulty in identifying those services which the institution can furnish which are insufficiently provided by state institutions and which can be economically offered in independent institutions.

OTHER APPROACHES

Some additional forms of institutionally focused programs include:

Faculty Salary Supplements

Under such a program the state could agree to provide a proportionate share of private college faculty salaries perhaps toward equalizing public and private institution salaries. A variation would be to provide for distinguished professor chairs.

Contract for Faculty

A variation of the above and the contract approach would be a state program contracting for faculty from independent institutions to instruct public and private higher education students: or an arrangement whereby the state would hire faculty for specific purposes in independent institutions.

Institutional Tax Exemptions

Extension of programs of property tax exemption to relief from sales, use, and other taxes.

State Higher Education Foundation

Creation of a semi-public foundation with state and private fund which would see to the education of specific grouns of students. Students could be placed in public or private institutions with fees paid and stipends provided based on financial need. Supplementary funds could be awarded the institution for each student educated.

Development of Consortia

Consortia including public and private institutions may be designed to provide assistance for specific programs by pooling students, faculty and facilities in areas of high cost and/or low student demand.

State Purchase of Higher Education Facilities

The state could develop a program whereby it purchases the facilities of selected institutions and in turn leases the plant back to the college. The state could, under these circumstances, assume outstanding debts, and/or underwrite maintenance costs. An alternative would be for the state to construct a needed facility such as a law school, provide its initial library, and lease the plant to an institution to operate.

State Assisted Library Program

In exchange for providing access to libraries to all researchers, the state might assist independent institutions in supporting their libraries by placing current and back materials on permanent loan from the

State Library. This could give some relief to college library annual budgets.

Connecticut Plan

A combination student and institutionally based program was adopted in Connecticut in 1969. Under the plan each college agrees to take a specified number of additional students based on projections verified by the coordinating agency. These student spaces are for Connecticut students only. To determine grants, the number of additional Connecticut students is multiplied by 125% of the college tuition or by $2047, whichever is lower. (The $2047 is the cost of education in a four-year-college as determined by the agency.) Grants are made one half on July 1 and the balance on November 15. However, the institution must reallocate 80% of the amount received to student aid for Connecticut students. Presumably this could replace institutional funds presently used for student aid. $1.5 million was allocated for 1970-71 for apportionment to 13 private four-year colleges and four two-year colleges.

Conclusions

As a general proposition, student based programs in most states have the virtue of raising fewer constitutional and other legal problems. However, while the benefit to the student is clear in such plans, programs must reach large proportions (typically in the form of tuition equalization) before much benefit to the institutions can be felt. On the other hand, institutionally focused programs can place funds at the disposal of the college to meet immediate needs for program maintenance or improvement. As funds are forthcoming so, it is assumed, will be the requirement

for accountability, yet this accountability need not differ markedly from requests for data now met on a voluntary basis to state and federal agencies.

> *An overview of existing and proposed programs in the several states leads to no perfectly fitted program for the Washington context. Each state, when it has developed a program, has chosen its own course to meet the perceived problems of the institutions within its borders and its constitutional constraints. Though independent institutions across the nation share a common concern for their future, each institution or category of institution by region is located within a political, legal and economic context so as to make development of a uniform formula for aid impossible.*

CHAPTER V

CONSTITUTIONAL ISSUES*

The United States Constitution

In applicable part the First Amendment limits the states through the Fourteenth Amendment in two respects:

a. the states shall not unduly infringe upon the free exercise of religion, and

b. the states shall "make no law respecting an establishment of religion."

Of these two, the former in the Washington situation is probably less important then the latter, for a state program that would substantially impinge upon any religious practice or belief is not proposed. It is important, however, to note that the two clauses are interrelated. Indeed, the purpose of both clauses in the final analysis is the same, to assure freedom of religion. The free exercise clause does so in a direct immediate way, specifically protecting the individual against governmental interference; the establishment clause, on the other hand, does so only in a precautionary way, requiring some degree of separation of religious functions from governmental functions, for fear that otherwise the accumulation of modest involvements of government and religion would ultimately lead to the impingement by that government upon the religious practices and beliefs of those persons who were not the beneficiaries of the state's involvement.

* This Chapter and Appendix E was prepared by Professor Robert L. Fletcher, School of Law, University of Washington.

This earliness in the application of the Establishment Clause, inhibiting government before it may actually have impinged upon anyone's religious beliefs or practices, explains how it is, for example, that the United States Supreme Court could hold it unconstitutional for a public school to conduct a prayer as part of its program quite without regard to whether the activity unduly impinged upon or was coercive of any student in the school.[1] In shaping plans, therefore, for the use of state money in assisting church-related schools, we must not be misled into thinking we avoid a holding of unconstitutionality simply be making the particular program, whatever it may be, completely optional to the student.

Significant United States Supreme Court decisions involving the application of the Establishment Clause to the states number at most not more than a dozen or so, all decided within the last thirty years.[2] In these cases the Court has not developed a wholly consistent body of doctrine, but by and large it has shown a tolerant attitude toward

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[1] Engel v. Vitale, 370 U.S. 421 (1962)

[2] Ten significant uses as follows; 3 or 4 more that some persons might consider significant establishment cases:

The ten: Everson v. Board, 330 U.S. 1 (1947) Illinois ex rel.
McCollum v. Board, 333 U.S. 203 (1948)
Zorach v. Caluson, 343 U.S. 306 (1952)
Sunday Closing Cases, 366 U.S. 420, 582, 599, 617 (1961)
Torcaso v. Watkins, 367 U.S. 488 (1961)
Engel v. Vitale, 370 U.S. 421 (1962)
School District v. Schempp, 374 U.S. 203 (1963)
Board v. Allen, 392 U.S. 236 (1968)
Presbyterian Church v. Mary Elizabeth, 89 S. Ct. 601 (1969)
Walz v. Tax Commission, S. Ct. May 4, 1970

The marginally significant:
W. Va. Board v. Barnett, 319 U.S. 624 (1943)
Sherbert v. Verner, 374 U.S. 398 (1963)
Epperson v. Arkansas, 393 U.S. 97 (1968)
Welsh v. U.S., S. Ct. June 15, 1970

states' participation in and with religion. The two most recent cases, for example, hold it not unconstitutional for a state to furnish students at religious schools with textbooks chosen by the school's personnel, though subject to state approval,[3] and for a state to grant real property tax exemptions to church property along with the property of other charitable organizations.

Further and detailed discussion of the United States Supreme Court cases is omitted from this memorandum since, as developed below, the Washington State Constitution also limits the state in these respects, and those limitations appear considerably more stringent than those of the United States Constitution.

Washington State Constitution

A. *PERTINENT SECTIONS*

Three sections seem the most limiting:

a. Amendment 34 (unchanged in this respect from the original wording in Art. I, Sec. 11)

". . . No public money or property shall ba appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment. . ."

b. Article IX, Sec. 4

"All schools maintained or supported wholly or in part by the public funds shall be forever free from sectarian control or influence."

c. Article VIII, Sec. 5

"The credit of the state shall not, in any manner be given or loaned to, or in aid of, any individual, association, company or corporation."

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[3] Board v. Allen, 392 U.S. 236 (1968)

B. *DISCUSSION OF AM. 34 AND ART. IX, SEC. 4*

1. Identification of significant variables

At least with respect to the general problem of assistance to private colleges and universities, the first two of these constitutional provisions (Am. 34 and Art. IX, Sec. 4) pose problems akin to those under the United States Constitution's Establishment Clause. On the other hand, as suggested above, both the literal terms of these Washington Constitution provisions and the decisions of the Washington State Supreme Court seem to have been considerably more stringent upon the state than have the comparable structures of the United State Constitution and the United States Supreme Court decisions. On the whole, however, the Washington Constitutional Law yields fairly readily to the same sort of analysis and will be so treated in this memorandum.

It is useful to identify the most significant limiting factors that inhere in the Establishment Clause restrictions and then, as the strength of these factors might be made to vary from one plan for assistance to another, to show how the strength or weakness of the structure will correspondingly vary.

The following factors in any particular state program seem to be the most significant:

a. the type of state participation, as for example by direct state funding, by state exemptions from taxation, or by the use of state facilities;
b. the nature of the particular program being assisted, with respect to its religious content or character; and
c. the nature of the institution receiving the state assistance, with respect to the degree of control or influence that religious doctrine, structure, or authority has upon it.

2. State Participation

The obvious feature of the first variable, i.e., the type of state participation, is that as the state's participation becomes more direct, more immediate, more specific and more positive, so does the chance for violation of constitutional limitation become more serious. In one fairly recent Washington case[5] relatively mild participation in a released ti, program in the Spokane public schools was sanctioned while, with respect to some of the features of the plan, the court found the state's participation too substantial. In that case the school was directed by the court to discontinue passing out sign-up cards in the schoolroom and announcing the program in the schoolroom; yet the court did permit the school to dismiss those students who wished to take part, delivering them into the arms of the church officials, and to furnish some different and of necessity not the regular class-type instruction to those students who stayed behind. In the 1970 United States Supreme Court case holding not unconstitutional New York's exemption of church property from real property taxation,[6] the Court pointed out that an exemption from taxation, different from a direct grant program for use of state money, would not involve the government in "sustained and detailed administrative relationships" such as might be found in the enforcement of statutory standards in a direct grant and thus be a source of undesirable entanglement of government with religion. So too, for the state to offer courses at a state institution for students otherwise enrolled as students in church schools would incur significantly less state involvement than were the state to provide the teachers or courses at and as part of the church school's curriculum.

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5 Perry v. School District, 54 Wash. 2d 886 (1959)

6 Walz v. Tax Commission, S. Ct. May 4, 1970

A further variant sometimes urged is for the state to "purchase" or "hire" the religious body to perform some secular function, much as the state might purchase an "Amana" freezer unit for use in a state facility from the religious group who manufacture these products. The point of distinction could have some validity in a particular case. To put a hypothetical case, suppose for example the state should decide that the public schools need about 500 new teachers per year, that the state supported colleges of education are graduating only about 150, and that the private colleges must be depended upon for the additional 350, some of which will be graduated from religiously dominated schools.Could the state in effect pay the corollary, the relative strength of its religious content will be its weakness. The element of generality most appealing is the state's interest in furthering the education of the populace. There can, of course, be no question but that objective has the highest social utility. Indeed, the reinforcement of the point can be taken from the education article of the Washington constitution itself, where in Section 1 it pronounces that, "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders . . ." And certainly a convincing argument can be made that "ample provision" means something different in 1970 from what it did in 1889, now to include more than just the "general and uniform system of public schools" described in Section 2 of that article.

The Washington court's work in this respect has been quite restrictive of state aid. In a most important case decided in 1949[8] the court held a legislative requirement of local school districts that they trans-

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[8] Visser v. Nooksack Valley School District, 33 Wash. 2d 699 (1949)

port all children to their respective schools, church schools included, to violate the state constitution. The court was singularly unimpressed with the argument that had proved so successful in a comparable United States Supreme Court case holding not unconstitutional New Jersey's bus transportation law[9] -- that the state was primarily interested in safe transportation of school children, not that it was trying to promote religion. The Supreme Court of the United States emphasized the utter generality and broad social utility of that legislative purpose, as with police and fire protection; the Washington Supreme Court, on the other hand, noted the strictly religious nature and dominance of the particular school litigating in the case and emphasized that for the state to furnish free transportation to the children attending its schools was a substantial monetary benefit to that religious institution.

That case was decided over 20 years ago. Just last year, a case roughly similar but decided on quite different ground brought forth quite a different comment from the Washington court.[10] The question in the case was whether a particular church camp was entitled to the statutory exemption of churches from real property taxes, not the question whether such exemption violated the state constitution. In deciding that the camp was not entitled to the exemption, since it did not qualify under the statutory language, the Court remarked that the state could not "directly subsidize such an activity" (character building and recreation) if it"took the form of teaching of a particular religious creed,"

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9 Everson v. Board, 330 U.S. 1 (1947)

10 Pac. N.W. Conference v. Barlow, 77 Wash. Dec. 2d 492 (1969)

and then further commented: "Therefore it cannot be convincingly argued that the camp is performing a function which the state would ordinarily have the burden of performing at taxpayer's expense." The suggestion appears to be that if the church were performing such a function, there might be some argument that it would be permissible for the state to subsidize it. Since the case went off on another point, however, these offhand comments by the court must not be taken with too much encouragement, much less as authoritative.

A further bit of modest encouragement can be taken from another recent Washington case, in which the court held not unconstitutional the teaching of a "Bible as Literature" course at the University of Washington.[11] Here the court emphasized the scholarly nature of the course, despite the argument of the plaintiff litigants who insisted that teaching the Bible in any way necessarily involved a particular attitude and appraisal of a religious sort. [Indeed, the plaintiffs' argument went further, that so to present the Bible in fact unduly impinged upon their religious beliefs and practices, for their religiously based understanding of the meaning and significance of the Bible was quite at odds with that presented in the particular course; the court rejected this argument out of hand.] Note particularly that the court's approach is to point to the generality of the function being performed by the state -- the "open, free, critical, and scholarly examination of the literature, experiences, and knowledge of mankind." The fact that it impinged upon or necessarily involved some attitudes toward religion was wholly incidental. To find the religious feature in this

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[11] Calvary Church v. Board, 72 Wash. 2d 912 (1967)

situation too dominant would even suggest questions as to such utterly general courses as anthropology, zoology, etc.

Probably the underlying difficulty with this point is that there are many results of aid that might be given to church schools, some of utmost generality and broad social utility, such as to furnish police and fire protection, or to educate all students of the state, and some of the most direct and specific religious benefit, such as to purchase the religious raiment of the minister who conducts the services in the campus church or to erect the structure in which he does so. And it is misleading simplicity to insist that any particular program that in any way assists church schools is solely of one sort or another, even though so labelled.

It is instructive to note that the debate on this same point continues in the United States Supreme Court, most recently in the opinions in the conscientious objector case decided June 15, 1970.[12] In that case the majority of the court held that the petitioner could not be convicted for draft evasion even though his objection was not religiously based, at least not so in any ordinary sense of the word. The opinions of Mr. Justice Harlan in concurrence and of Mr. Justice White in dissent again debated the constitutionality of the conscientious objector exception to military service. Seeing the exception as a violation of the Establishment Clause, Mr. Justice Harlan pointed to the lack of generality or breadth ("neutrality" is his word) to the exception. He argued that in order to survive constitutional challenge the exception should have included persons who found such compulsion from any source, religious or not. Failing to see that breadth to the exception, Mr. Justice Harlan decided the ex-

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[12] Welsh v. U.S. S. Ct. June 15, 1970

ception was unconstitutional. He noted that Mr. Justice Frankfurther's concurring opinion in the 1961 Sunday Closing Cases would hold legislation unconstitutional "only if the absence of any substantial legislative purpose other than a religious one is made to appear." The dissenting opinion of Mr. Justice White in the current case (joined by The Chief Justice and Mr. Justice Stewart) did not dispute this test but found that Congress could have a secular purpose in the exemption of religiously based conscientious objection in a practical concern for the effectiveness of a military force in part made up of persons with such scruples against war. Mr. Justice Harlan was not convinced of this but rather believed that all Congress wished to do was to honor or favor those whose scruples were religiously based, as an accommodation to religion. In Mr. Justice Harlan's favor, it should be noted that Mr. Justice White did not attribute to Congress any judgment that religiously based scruples against war would produce any less fit soldiers than would scruples based on other grounds, and it seems likely that Mr. Justice White would have been hard pressed to make such an assertion.

To put a further example, but from a non-school setting, even the Washington Constitution, in Am. 34, permits the employment of a chaplain in state correctional institutions. Yet I suppose it is apparent that this highly religious function also serves an interest of generality, i.e., of therapy and care, that is beneficial to the state as a whole, and for Washington to conduct such religious services ought not run afoul of the Establishment clause. Here, of course, it would be only the United States Constitution that would pose the problem, since the Washington Constitution explicitly permits the practice.

3. Nature of the Institution Receiving the Assistance

As with the other factors discussed above, it appears that as the institution receiving the state's assistance is found to be more and more dominated by religious doctrine, structure, or authority, the weaker will be the prospect for survival against constitutional attack.

This factor is identified separately primarily because the Washington Constitution so clearly speaks in these terms in both of the pertinent sections, in Am. 34, "No public money or property shall be appropriated for . . . the support of any religious establishment," and in Art. IX Section 4, "All schools maintained or supported wholly or in part by public funds shall be forever free from sectarian control or influence." Logically, this factor is but a particularized ingredient of the factor previously discussed, i.e., the nature of the program being financed, with emphasis upon its corollary proposition that as the religious ingredient in the program becomes stronger, so the prospect for validity of the state's program becomes weaker. The drafters of the State Constitution could, of course, have been content with language as general as that of the First Amendment to the United States Constitution in its Establishment Clause, thus in application calling for an evaluation of the generality and broad social utility of the state's programs as compared to the extent of the religious ingredient. But, the language they adopted has apparently gone further, taking in a sense a super-precautionary position, purporting to keep all state money out of the hands of "religious establishments" and keeping the state-supported institutions free from "sectarian influence," as a sort of specific insurance against the dangers of establishment.

The specificity and strictness of the State Constitution make the problem of devising a satisfactory state program considerably harder if in fact the state wishes the beneficiaries of state money to include schools that are clearly dominated by or controlled by religious doctrine, structure, or authority. Indeed, there appears little prospect for the validity of any but quite remote and indirect benefits to flow from the state treasury to such an institution. In other words, the factors previously discussed must rate the proposed program extremely high on the strength side in order to overcome the weakness that the factor now under discussion will introduce. For example, a tuition grant or a cost-of-living grant to the student for use at the college of his choice could possibly be used to attend a religious college. But there are serious doubts that a grant of money, for example, on a per pupil or per degree granted basis, directly to a church-dominated school would presently survive constitutional attack.

This concern suggests that a range of proposals should be considered that might select as among all institutions of higher education in the state those that meet certain criteria pointing toward the lack of dominance or control and indeed the lack of substantial influence of religion or religious authority in their management and in the content of their program. Then schools presently not qualifying could at least have the choice whether to change their control structure and program content in order to qualify for the state's funds.

A subsidiary point here might be considered: If a factual determination of this sort be made a part of the administrative machinery for carrying out a legislative scheme, the determination of the ultimate facts, i.e., the lack of religious control or influence, made by the

administrative body or official will be given substantial weight in a court's subsequent review of a particular grant. Also, for the legislation to provide for such a determination would itself tend initially at least to direct the testing of the statute to grants to those institutions that are the less dominated by religion rather than those the more dominated. This last assertion is made on the assumption that institutions now clearly not qualified would be somewhat slow in changing their structure and operation and in all likelihood would wait at least until a more-likely-to-be-found-qualified school is the recipient of state funds and has had its grant challenged. Once the court has sustained the program, assuming it does, then the later extension or application to another school would be more likely to pass the test than if that school's grant had been the first to be challenged.

A variant upon this suggestion for removing the religious influence or dominance from the school or for differentiating among schools upon the presence or absence of such influence or dominance would be to insure only that the particular programs being state-financed be so divorced from the religious influence or control. This approach, risks the retention of some of the initial weakness, for it could be readily argued that for the state to finance a part of a church-school's program, even though that part was completely free from religious influence, would at least indirectly benefit the other parts of the school's total program and thus constitute unconstitutional "support."

On the other hand, Washington case law on the point is peculiarly one-sided, for in none of the state programs to undergo test was the nature of the recipient in question but, rather, it was the nature of the

program itself that was debated. That is to say, the institutions involved were either publicly supported institutions clearly free of sectarian influence such as the University of Washington or were clearly religiously dominated schools. There were no in-betweens. For example, the bus transportation case[13] involved a school clearly dominated and controlled by a church organization; the argument was on the point of the generality of the particular program -- the transportation. This lack of a good case squarely in the middle on the question of its religious domination may be a good thing, for as to any program initiated by the Council the court will at least have the benefit of a carefully thought-out plan and one factually demonstrable to have been enacted to fulfill an urgent need to maintain the quality of higher education in the state.

The Washington court has in one instance at least shown a considerable softening in attitude in this general area. In its decision holding it not unconstitutional for the University of Washington to offer the course in "Bible as Literature"[14] the court had to face an older (1918) case[15] that had held unconstitutional a public school program of granting credit for "Bible study" even though the study was only of "the historical, biographical narrative and literary features of the Bible." In the recent (U.W.) case the court "confined to its facts" the earlier decision, indicating in effect that it would not follow it.

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13 Visser v. Nooksack Valley School District, 33 Wash. 2d 699 (1949)

14 Calvary Church v. Board, 72 Wash. 2d 912 (1967)

15 State ex rel. Dearle v. Frazier, 102 Wash. 369 (1918)

Whether from this it can be predicted that the court will similarly treat the 1949 bus transportation case[16] is not at all sure, but at least there is hope. Certainly the bus transportation case opinion is sweeping in its assertion that no state aid is permissible, and it is aggressively positive in its finding that to furnish bus transportation to the pupils is in effect to aid the school itself.

C. *DISCUSSION OF ART. VIII SECTION 5*

The limitations of Article VIII Section 5 are difficult to handle, primarily because the Washington State Supreme Court has not had a consistent rationale in its decisions interpreting this section.

The wording is as follows:

> *"CREDIT NOT TO BE LOANED.* The credit of the state shall not, in any manner be given or loaned to, or in aid of, any individual, association, company or corporation."

It should be compared with a similar restriction upon local government found in Section 7 of the same article:

> *"CREDIT NOT TO BE LOANED.* No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or coporation."

Both of these sections grew out of the very real fears in 1889 for the vulnerability of weak state and local governments to exploitation and to bribery or other corruption by aggressive and unprincipled persons or business corporations. In the western states the railroad cor-

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16 Visser v. Nooksack Valley School District, 33 Wash. 2d 699 (1949)

porations were the principal villains. For example, in Washington the Walla Walla residents had raised some $80,000 for the Northern Pacific Railroad to build a line to their area to compete with the Union Pacific, and at the time of the constitutional convention they were widespread in their support of a further proposition that the county bond itself to pay the Northern Pacific $250,000 if the proposed line were extended somewhat farther than originally proposed.[17]

As the state government has grown stronger and the likelihood of such gross sell-outs has diminished, just what constitutes a violation of these constitutional provisions has been increasingly difficult to define.

One line of decisions seems to sustain the government expenditure if it can be fairly said that the state is getting something in return, much as a buyer can be said to get his money's worth if he pays a fair price for a quart of milk. The premise is faulty, of course, for only in the most indirect and inexact way can we say that governmental services are purchased by the consumer. Certainly the person who calls for police aid does not pay for that service in any direct or exact way. We don't even restrict the persons entitled to police protection to only those who pay taxes, and no one suggests that we do. It is simply that we have made a judgment long years ago that the community benefit from police protection was so great that we were willing to approve the use of government money to support the service.

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[17] Airey, A History of the Constitution and Government of Washington Territory, Unpublished Ph.D. Thesis, University of Washington Law Library 1945, pp. 481-82.

But if, as these cases seem to assume, we must find that the state receive a quid pro quo for the services it renders, certain of the cases involving these constitutional provisions do offer a sort of consistent rationale. For example, the court decided in 1960 that a city did not violate Art. VIII Section 7 in granting an increase in pension to an already retired employee, saying that this was "deferred compensation" and not a "gratuity".[18] Even the veterans' bonus act of 1949 was in part sustained on this basis, the court viewing the payment as pay for "services rendered" and as a "supplement" to the military pay.[19] The fact that the service was rendered in a primary sense not to the state of Washington but to the United States and that the supplemental pay came long after the service had been rendered were not even mentioned in the opinion of the court.

On the other hand the court in several cases has decided that a particular benefit conferred by the state or local government was a "gift" or a "gratuity" and thus that the constitutional provision was violated. For example, the Port of Seattle was held in 1965 constitutionally unable to spend funds for the food and drink of businessmen in the course of doing business with them, even though the court did not deny that such an expenditure was a desirable or even necessary part of the port's business activity.[20] The court reasoned from the simple but false premise that a public expense had to be supported by consideration and found, obviously, that these expenditures were not supported by such consideration and were therefore violative of the constitutional provision. The court did not recognize that many if not most governmental activities do not exact a consideration from the person benefitted.

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18 Luders v. Spokane, 57 Wash. 2d 162, 356 P. 2d 331 (1960

19 Gruen v. State Tax Commission, 35 Wash. 2d I, 211 P. 2d 651 (1949)

20 State ex rel. O'Connell v. Port of Seattle, 65 Wash. 2d 801, 399 P. 2d 623 (1965)

In a somewhat similar case the court held in 1961 that the state would violate the constitutional provision to pay 10 percent of the cost of removing certain utility facilities (power and telephone lines) from a highway right-of-way even though by so doing the state would be eligibel for the other 90 percent to come from the federal government.[21] The principal difficulty as seen by the court was that the deed granting the permission to put the utility facilities there in the first place required the utility companies themselves to pay the cost of any subsequent removal or relocation. For the state to pay constituted doing something it was not legally obligated to do and was thus a gift. The dissent properly reminded the court that this reasoning would also invalidate the grant of the original easement, but the majority took no note of the argument.

Similarly, the expenditure of funds by the state in its participation in the Western Interstate Commission for Higher Education was held in 1958 not to violate Article VIII Section 5 even though non-residents might enjoy the benefits of the educational facilities of the state, the court seeing a sufficient consideration for the benefits so conferred.[22] The court's language is instructive:

> The legislature of this state has undertaken to carry out a part of its duty to educate all children residing within its borders by a reciprocal arrangement with its sister states. In return for this state's share of the operating costs of the interstate commission, it receives benefits in educational facilities for the residents of this state. The legislature, in the proper exercise of its discretion, has deemed the benefits received to be a sufficient consideration for the funds expended. The expenditure of funds for such purpose does not constitute the giving or loaning of the credit of this state.

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21 Washington State Highway Commission v. Pacific Northwest Bell Telephone Company, 59 Wash. 2d 216, 367 P. 2d 605 (1961

22 State ex rel. Tattersall v. Yelle, 52 Wash. 2d 856, 329 P. 2d 841 (1958)

A third line of argument has shown some success in this field, but has been quite limited. The point is, that government is supposed to engage in activities beneficial to the public as a whole and that in scrutinizing a particular program the inquiry should be to find out and to evaluate the public purpose being furthered. It seems to me that the court has been reluctant to adopt this approach.

In the veterans' bonus case[23] the court did see that, in addition to the "supplemental compensation" aspect, the paving of the bonus would "encourage the spirit of loyalty and patriotism and so promote the public good by affording visible evidence that hereafter, if there should be a call for men, the commonwealth would not forget those who had served its cause."[24]

Somewhat similarly, the case upholding the expenditure of funds incident to the state's participation in the Western Interstate Commission for Higher Education[25] can be seen as in part sustainable because of the important public purpose being furthered, though as described above the court's analysis is primarily that the benefits conferred are supported by adequate consideration. The point here is that the court emphasized that the state's "duty to educate all children residing within its borders"[26] made it a proper purpose for the state to enter into this compact. Thus, the fact alone that there are persons who will be the beneficiaries

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23 Gruen v. State Tax Commission, 35 Wash. 2d 1, 211 P. 2d 651 (1949)

24 This quotation appears in quotation marks in the court's opinion but the source is not given.

25 State ex rel. Tattersall v. Yelle, 52 Wash. 2d 856, 329 P. 2d 841 (1958)

26 The language of Art. IX Section 1: "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders." and note particularly that here the court applies this language to higher education.

of the state's carrying out a constitutionally prescribed duty should not of itself make the program violative of the constitutional provisions with which we are concerned. And, of course, if one inspects the whole of the state'supported educational system of the state with this thought in mind he perceives instantly that it is literally filled with persons who are the beneficiaries of governmental munificense. One has only to look at the per graduate cost of medical education at the University of Washington for example to realize that the student himself has received benefits far beyond his modest pavments of tuition.

Yet the court seems to be very reticient. Should it not be sufficient that the legislature has determined, not unreasonablv, that a particular program is for the public good; and should it not be immaterial that there may be some incidental beneficiaries who receive more than they pay?

Albeit artificially, the court has seen one way to distinquish among recipients despite the public good to come from a particular program. The 1961 case invalidating the state's paying 10 percent of the cost of relocating the utility facilities[27] is in point. There the court had argued to it that the state was carrying out a public purpose in paying this 10 percent, in that if the state did not pay the 10 percent, there would be no 90 percent coming from the federal government, and without that there might not be the development of the interstate highway system. Shouldn't that public purpose be sufficient to justify the expenditure?

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[27] Washington State Highway Commission v. Pacific Northwest Bell Telephone Company, 59 Wash. 2d 216, 367 P. 2d 605 (1961)

The court in effect avoided the argument by conceding that there could be such a public purpose but then pointing to the fact that the state was utilizing a non-state agency to carry out that public purpose. This was bad. Can the court really mean this? The state cannot utilize anything other than a state agency to perform public services? It cannot hire a management firm to devise a new system for some state operation? It cannot allocate funds to private adoption agencies to cover part of the costs of their operations? It is doubtful the court will persist with this distinction, at least in the stark form in which it is presently stated.

The articulated rationales of these cases leads to a suggestion for a somewhat different set of criteria for use in this project. What the constitutional provisions are intended to obviate or avoid, should be identified and then those ingredients avoided. For example, that the particular program furthers or is even essential to the performance of the state's duty to educate should be made paramount and obvious. Then, it should also be made apparent that the state is getting what it is paying for, i.e., the education of the persons whom the state is duty-bound to educate; if the facts permit, it should be demonstrated that their education might not otherwise be effected at all. Then, it should be shown that there is no commercial exploitation of the state's resources or their draining away for some other purpose. For example, it is probably most unwise constitutionally speaking for the state to finance an education program with a prime objective of bailing out an otherwise financial failure if the failing institution has any significant non-state aspects, such as the promotion of religious belief or doctrine.

This suggestion, it is admitted, is a very rough one: on the whole, however, its observance will probably bring a result that the observance of the other constitutional limitations will produce -- in short,

> *financial programs of major public purpose, broad in its applicability, and removed in word and effect from the inculcation of religious faith and from the broad support of religiously dominated institutions*.

CHAPTER VI

DEVELOPING A PROGRAM FOR STATE ASSISTANCE

In requesting that the Council on Higher Education study the relationship of private and independent colleges and universities to the overall state system of higher education, the Legislature made explicit its concern over the future of these institutions. Indeed, HCR 69-5 contains reference to a specific proposal for providing financial assistance to the institutions as a further demonstration of its concern. This present study, as the legislative resolution requesting it, defines the relationship between the state and the private institutions primarily in financial terms, for as the foregoing has demonstrated there is a pressing need for assistance by the majority of the non-public Washington colleges and universities.

The present and future financial needs of the colleges, however, though clearly demonstrable should not be the paramount reason for the State Legislature and the Executive to provide programs of assistance. The privately supported and sponsored institutions of higher education perform a service to the citizens of the State of Washington in furnishing college level programs the responsibility for which would otherwise fall upon public institutions and, of course, the public treasury. Additionally, data indicate the additional physical capacity exists in nearly all of the colleges to accommodate additional enrollments should the state determine that not only maintenance of the private sector, but its expansion, are in the public interest.

The colleges and universities offer a variety of programs in diverse areas of the state. Programs in certain professional areas such as law, nursing, occupational therapy, business administration and engineering supplement the liberal arts and education curricula offered by most of the colleges. The colleges as employers are part of the economies of the cities and towns in which they are located. In many instances the colleges have been active in community service programs in their regions. The graduates of the colleges are educated persons who will be productive citizens of the State of Washington and the nation.

The Council wishes to underline its belief that the private colleges and universities, regardless of sponsorship, are in the public interest and, as they are, their future well-being is of great importance to the State of Washington.

The well-being of the colleges and universities as demonstrated in this study is uncertain. According to data provided a substantial assistance program would be necessary to materially improve the financial security of at least six of the eleven institutions under present conditions.

Constitutional Revisions

The state could consider a number of possible alternatives which would assist private institutions and their students either indirectly or directly. Some of the many approaches are discussed in Chapter IV. The Council finds, however, that no specific approach is necessarily clearly superior to another especially in view of the constitutional limitations discussed in Chapter V. If constitutional provisions permitted, direct aid to the institutions would perhaps be the most approp-

riate, provided it were a part of a program where specific outcomes and quality improvements were specified by the state and the necessary reviews and controls provided. A direct aid program appears to be the only method by which the state could be assured of the continued viability of the private institutions individually or collectively. However, the constitution of the State of Washington is such that a program of this nature is clearly beyond existing law as it is interpreted. These constitutional issues appear to revolve primarily upon provisions of the Washington Constitution concerning the separation of church and state. Nine of the eleven institutions surveyed have apparent, strong ties to sponsoring church groups which may be of sufficient closeness so as to raise fundamental constitutional objection to a generalized program of assistance. The alternative of requesting institutions to sever those ties would change the fundamental character of the colleges concerned and has not been considered desirable or feasible.

Direct aid to institutions whether framed in a generalized contract form or as a direct grant or appropriation, the Council believes, would be necessary to accomplish the objective of making fundamental improvement in the financial situation of the private colleges and universities now facing severe problems. Similarly, such direct aid would be necessary to assist the other colleges and universities in maintaining their present financial positions.

The Constitution of Washington contains language to suggest that programs which give assistance on a broad base as applied to church-related colleges such as aid granted for each degree produced, or contracting for a specified number of student spaces, would not likely

survive constitutional test. The more narrowly defined the program, the more removed from influence of the sponsoring group (if a sectarian institution), the more likelihood of constitutional approval. Similarly, assistance indirectly provided such as through the student himself, may stand a better chance of survival.

Discussion on Interim Programs

Recognizing that constitutional revision is a step taken only after extensive debate and presentation of the facts to the people, the Council on Higher Education considered these programs most probably within constitutional bounds and which are in the public interest which could provide some measure of assistance to the independent colleges and universities.

After review of the general, possible approaches to financial assistance and the overall constitutional limitations, the study Steering Committee, selected four possible programs for close consideration:

1. An unconditional grant to every resident student in both public and private higher education regardless of course of study.
2. An unconditional grant as in 1., however, limited to only those persons attending private institutions.
3. Similarly an unconditional grant but excluding specific categories of students such as those studying for the ministry.
4. Contracting for specific programs in specific colleges (such as a school of law and/or nursing).

Two approaches to assistance are contained within the four programs considered. The first approach (programs one, two and three) focusses upon assistance to the student. Under such programs the state could award

the student a specific grant, for example $100, for use in payment of fees and tuition. The private college and university thus might choose to increase fees by that same amount without resulting in added costs to the resident student. The impact of tuition increases, depending upon the amount of the state grant, would thus be minimized. Such programs might be termed "tuition stabilization" plans as they affect students attending private colleges and universities.

Financial need of the student is not considered under the programs proposed. The existing Washington student assistance program is addressed to those students with proven financial need. If the need factor is introduced, only a limited number of students may benefit, and effective assistance to the institution is minimized.

It also should be noted that the programs are directed to Washington residents only. Thus, institutions could have in effect, higher tuitions for out-of-state residents in that out-of-state residents would not be receiving grants to offset fee increases.

The second approach is contained in program four: contracts for specific programs in specific colleges. In light of the constitutional considerations, the possibility of contracting for the production of lawyers, for example, was considered feasible as the need for lawyers is potentially demonstrable and as the operation and affairs of a school of law could be more easily separable from the institutions overall program than is the case for some subject areas. This separation could demonstrate that the program was not influence by a religious group, or that the state aid would contribute to any "religious instruction of the support of any re-

ligious establishment." Similarly, a school of nursing was thought to be potentially separable in a like manner as well as the need for nurses demonstrable.

These program proposals were referred to a Task Force on Review of Constitutional Provisions for comment and advice. The Task Force concluded:[1]

1. *Program #3 (grants to students excluding those in the ministry) as a variation of #1 presents the best possibility of surviving attacks on constitutional bases providing that the prospect of serving the public interest and the public need is substantial. There is disagreement as to whether lack of a program element of individual student financial need substantially weakens the potential case.*

2. *Program proposal #4 (contract for specific program services) is considered to have chances for success provided there is*

   a. *a clear separation of the program from religious control or influence and*

   b. *there is a clear demonstration of a public need for the program and a serving of the public's interest.*

These conclusions were based upon review of the constitutional issues

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[1] The Task Force prefaced these conclusions with the following observations:
a. The purpose of the study and eventual program recommendations is to find ways of assisting private higher education;
b. There are important constitutional questions involved in any of the possible alternative programs, particularly if church-sponsored institutions may be assisted; and
c. The Task Force wishes to react in a positive and constructive manner.

involved and in light of papers prepared by Professor Robert L. Fletcher of the University of Washington School of Law.[2]

Conclusions

The Council on Higher Education finds that direct immediate assistance to the private colleges and universities is necessary and essential. Therefore, the Council advises the Legislature and Executive of the State of Washington:

--- *Revision of the Washington Constitution is the only long-range solution to the pressing problems of private higher education. Such revision of the Washington Constitution is required to permit financial assistance of the scope needed. Assistance should be made possible for all accredited institutions regardless of sponsorship, provided a public service is rendered. The Washington Constitution may be made to conform to pertinent sections of the Federal Constitution.*

--- *Pending revision of the Constitution a two fold program is recommended to assist in meeting immediate fiscal problems: a program of grants for all students attending private, accredited colleges on a full-time basis who are Washington residents; and pilot programs whereby the State of Washington may contract for legal, nursing education and other allied health programs.*

--- *Revision of the Constitution would permit the development of programs designed to furtherthe public interest by assuring*

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[2] Professor Fletcher's first paper appears as Chapter V. His second paper concerning the specific proposals is included in Appendix E.

a full range of higher education opportunities to the citizens of the State and to provide the assistance necessary for the private colleges and universities to further that public interest. Adoption of the language of the Federal Constitution's relevant sections would permit the State Legislature to develop and provide for appropriate programs.

--- *The grant program is recommended to benefit full-time students (defined as students taking 12 semester or quarter hours per term or more undergraduate - ten graduate) enrolled in accredited Washington private higher education institutions. The program should be limited to Washington residents (residency as determined under rules for public institutions) except for those students pursuing a course of study for preparation for the ministry. The Legislature must determine the amount of the grant, but it should not be less than $100 per academic year. If enacted in the 1971 Legislative Session, the program should commence beginning with the fall term 1971.*

The Council on Higher Education as a second phase of its study is developing specific pilot program proposals whereby the State of Washington may contract with appropriate institutions and sub-divisions thereof for legal and nursing education and other allied health programs. This study will include demonstration of need for the service, changes in institutional organization required, and proposed levels of support.

These measures, the Council believes will work toward assuring the continued existence of private higher education and toward strengthening this vital segment of Washington higher education.

The student grant proposal could result in the following approximate amounts of payments based upon an estimated 12,000 full-time resident students statewide:

$100 payment	$150 payment	$200 payment	$300 payment
$1,200,000	$1,800,000	$2,400,000	$3,600,000

Payments could range from about $250,000 for students attending Seattle University at the $100 per student per year grant level to some $33,000 for Fort Wright College students.[3]

Administrative costs could be kept to a minimum if colleges would provide as of a specific census date the names of its full-time students who meet predetermined residency requirements. Warrants would then be issued in the name of those students.

Details of the second program approach proposed will require considerable working out. Once the need for graduates is established, ways and means of separating the affairs of the specific program may be explored to meet constitutional requirements. Some estimate, however, may be made of the program cost involved. In the fall of 1970 there were about 1,000 students registered in nursing programs in the private colleges. If $1,000 were provided for each student trained per year a support program of $1 million would be called for. Similarly some 224 law

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[3] Assumes 80% resident students and therefore 80% of F.T.E. for Fall 1969 for these two colleges in this example.

students were registered at Gonzaga, if $1,500 were accorded for each student (and assuming all were full-time) then an appropriation of $336,000 would be required. These totals are not adjusted for residency of students.

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APPENDIX A

PROGRAMS LEADING TO DEGREES

WASHINGTON PRIVATE HIGHER EDUCATION

Note: The following listing is based upon a review of the most recent, available catalogues. Those subjects in which degrees are awarded are listed. Certain inter-disciplinary programs and professional curricula are listed as well.

Northwest College of the Assembly of God is not included because of its limited offerings. The college offers a Bachelor of Arts with majors in biblical literature, Christian education and missions, and a Bachelor of Theology degree. The Associate of Arts degree is also offered in social studies, humanities and natural science, and mathematics.

PROGRAMS	FORT WRIGHT	GONZAGA	P.L.U.	ST. MARTIN'S	S.P.C.	S.U.	U.P.S.	WWC	WHITMAN	WHITWORTH
AREA STUDIES AND ETHNIC STUDIES										
American Studies										Program
Italian Studies		BA								
BIOLOGICAL SCIENCES										
Biology	BA,BS	BA,BS	BA,BS	BA	BS	BS	BS	BS	BA	BA,BS
Biophysics								BS		
Clinical Science (Clin.Chem.)						BS				
Natural Science			M.N.S.			BS	BA,BS			
Physiology (Chem.)						MS				
BUSINESS ADMINISTRATION										
Accounting				BA				BS		
Business								BA		
Business Administration		B.B.A. M.B.A.	B.B.A. M.B.A.	BA		BA M.B.A.	BA M.B.A.	BS		
Business Education								BS		BA
Business Management										BA
Finance				BA						
Indust. Rel.				BA						
Marketing				BA						
Office Administration								BS		
Sec. Science								AA		
CREATIVE ARTS AND SPEECH										
Art	BA,BFA MFA	BA	BFA,BA		BA	BA (Fine Arts	BA,MFA	BA	BA	BA
Art Education							BA			
Drama			BA			BA			BA	

PROGRAMS	FORT WRIGHT	GONZAGA	P.L.U.	ST. MARTIN'S	S.P.C.	S.U.	U.P.S.	WWC	WHITMAN	WSU/WWC
CREATIVE ARTS AND SPEECH										
Fine Art(s)						BA	BA			
Music	BA,BFA	BA	BA,BM	BA	BA	BA (Fine Arts)	BA,BM MM	BA,BM	BA	BA
Music Education		B.Ed.			BA		MM			
Speech			BA,BFA	BA	BA			BA		
Speech & Hearing Therapy								BA		
Speech & Drama	BA,BFA	BA					BA			BA
EDUCATION										
Religious Ed.					BA	MA				
Counseling		MA,M.Ed								
Education	BA	MA,M.Ed.	BA,MA	BA	BA,BS M.Ed.	BA,B.Ed. MA,M.Ed.	BA,B.Ed M.Ed.	BA,M.Ed.	Program	M.Ed. MAT
Educ. Psych.					M.Ed.					
Industrial Educ. & Tech.								BS		
ENGINEERING										
Civil Engineering		BS		BS		B.C.E.				
Electrical Engineering		BS				B.E.E. M.S.				
Engineering						M.S.		BS		
Engineering Science		BS			BS					
Mechanical Engineering		BS				BME,MS				
FOREIGN LANGUAGES										
French	BA	BA	BA	BA (Mod.L.)	BA	BA (Mod.L.)	BA	BA	BA	BA
German	BA	BA	BA		BA	BA (Mod.L.)	BA	BA	BA	BA

PROGRAMS	FORT WRIGHT	GONZAGA	P.L.U.	ST. MARTIN'S	S.P.C.	S.U.	U.P.S.	WWC	WHITMAN	WHITWORTH
FOREIGN LANGUAGES										
Greek		BA (Classical)	BA (Classical)		BA	BA (Classical)				
Latin		BA (Classical)	BA (Classical)		BA	BA (Classical)				
Spanish	BA	BA		BA (Mod. L.)	BA	BA (Mod. L.)	BA	BA		BA
HUMANITIES										
Biblican Lang.								BA		
Communications		BA								
English	BA (Lit.)	BA,MA	BA	BA	BA	BA,MA MAT	BA	BA	BA	BA
Humanities			MA							
Journalism						BA		BA		BA
Philosophy		BA,MA	BA	BA	BA	BA	BA		BA	BA
Theology	BA	BA,MA	BA		BA,MA	BA	BA	BA		MA
LIBRARY SCIENCE										
Library Science					Courses					Courses
Med. Records						BS				3 yr.+1 int.BS
MATHEMATICAL AND COMPUT.SCIENCES										
Mathematics	BA	BA,BS,MA	BA,BS	BA,BS	BA,BS	BA,BS,MS nat.sci.	BS	BA,BS	BA	BA BS
Computer Science(s)										Courses
PHYSICAL EDUCATION & RECREATION										
Physical Education			BS		BS	BA	BA	BS		BA
Military Sci.						BS				

PROGRAMS	FORT WRIGHT	GONZAGA	P.L.U.	ST. MARTIN'S	S.P.C.	S.U.	U.P.S.	WWC	[illegible]	[illegible]
PHYSICAL SCIENCES										
Chemistry	BA	BA,BS	BA,BS	BA	BS,BA	BS	BS,MS	BA,BS	BA	BA,BS
Geology							BS			BA,BS
Physical Science(s)					MS(MAT)					
Physics		BA,BS	BA,BS	BA	BS,MS	BS,MS Nat.Sci.	BS	BA,BS	BS	BA,BS
Gen'l. Sci.			BS			BS				
SOCIAL AND BEHAVIORAL SCIENCES										
Classical Civilization		BA								
Community Service						BA				
Economics		BA,MA	BA	BA	BA	BA	BA,MA		BA	BA
Government				BA						
History	BA	BA,MA	BA,MA	BA	BA	BA,MA	BA	BA	BA	BA
Humanities						BA				
Political Science		BA	BA		BA	BA	BA		BA	BA
Psychology		BA	BA		BA	BA,BS	BS		BA	BA
Social Science(s)			MA			BA	BA			BA
Sociology	BA	BA,MA	BA	BA	BA	BA	BA	BA	BA	BA
Soc.-Anthro.					BA		BA			
Urban Studies			Program							
OTHERS										
Indust.Tech.								BS,AS		
Law		JD								
Dental Hygiene								BS		
Occupational Therapy							BS			BS

PROGRAMS	FORT WRIGHT	GONZAGA	P.L.U.	ST. MARTIN'S	S.P.C.	S.U.	U.P.S.	WWC	WHITMAN	WHITWORTH
Nursing	BS*		BS		BS	BS		BS		BS*
Med. Tech.	BS	BS	BS (3+1 yr)			BS	BS	BS (3+1 yr)		BA (3½+1 yr)
Home Economics	BA,BS				BA		BA	BA,BS		BA
Medi.Sci.		BS			BS	BS				

*Jt. Program

APPENDIX B

TRANSFER OF STUDENTS TO AND FROM

WASHINGTON HIGHER EDUCATION

1967 - 1969[1]

Institution	Transfer To			Transfer From			Net Gain (Loss)		
FORT WRIGHT	1967	1968	1969	1967	1968	1969	1967	1968	1969
Four-Year Pub.	7	0	2	10	26	7	(3)	(26)	(5)
Other Private	5	2	4	4	8	10	1	(6)	(6)
Comm. Coll.	7	2	4	4	4	2	3	(2)	2
	19	4	10	18	38	19	1	(34)	(9)
GONZAGA									
Four-Year Pub.	17	NA	27	81	115	45	(64)	NA	(18)
Other Private	4	NA	20	15	13	23	(11)	NA	(3)
Comm. Coll.	14	NA	25	40	35	52	(26)	NA	(27)
	35	NA	72	136	163	120	(101)	NA	(48)
P.L.U.									
Four-Year Pub.	34	15	25	77	79	67	(43)	(64)	(42)
Other Private	12	12	6	7	18	11	5	(6)	(5)
Comm. Coll.	76	70	111	59	63	103	19	7	8
	122	97	142	143	160	181	(19)	(63)	(39)
ST. MARTIN'S									
Four-Year Pub.	16	17	19	16	19	21	0	(2)	(2)
Other Private	7	18	10	9	17	11	(2)	1	(1)
Comm. Coll.	34	52	56	20	10	21	14	42	35
	57	87	85	45	46	53	12	41	32

[1] Giles Report

Institution	Transfer To			Transfer From			Net Gain (Loss)		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
S.P.C.									
Four-Year Pub.	19	21	18	47	47	37	(28)	(26)	(19)
Other Private	7	3	5	4	5	9	3	(2)	(4)
Comm. Coll.	51	55	51	42	56	69	9	(1)	(18)
	77	79	74	93	106	115	(16)	(29)	(41)
SEATTLE UNIV.									
Four-Year Pub.	36	18	90	106	98	78	(70)	(80)	12
Other Private	25	17	51	7	13	20	18	4	31
Comm. Coll.	102	90	109	109	124	200	(7)	(34)	(91)
	163	125	250	222	235	298	(59)	(110)	(48)
U.P.S.									
Four-Year Pub.	51	63	59	70	81	75	(19)	(18)	(16)
Other Private	7	37	17	13	8	17	(6)	29	0
Comm. Coll.	130	155	200	134	117	155	(4)	38	45
	188	255	276	217	206	247	(29)	49	29
WALLA WALLA									
Four-Year Pub.	1	7	8	17	18	8	(16)	(11)	0
Other Private	0	2	0	1	1	4	(1)	1	(4)
Comm. Coll.	1	18	35	37	34	44	(36)	(16)	(9)
	2	27	43	55	53	56	(53)	(26)	(13)
WHITMAN									
Four-Year Pub.	5	2	4	36	44	36	(31)	(42)	(32)
Other Private	0	0	3	3	2	4	(3)	(2)	(1)
Comm. Coll.	11	18	17	13	16	23	(2)	2	(4)
	16	20	24	52	62	63	36	(42)	(37)

Institution	Transfer To			Transfer From			Net Gain (Loss)		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
WHITWORTH									
Four-Year Pub.	12	9	6	57	78	51	(45)	(69)	(45)
Other Private	3	3	5	5	5	6	(2)	(2)	(1)
Comm. Coll.	23	22	7	30	34	63	(7)	(12)	(56)
	38	34	18	92	117	120	(54)	(83)	(102)

SUMMARY	1967	1968	1969	1967	1968	1969	1967	1968	1969
All Inst.	8883	10626	12637	8883	10626	12637	-	-	-
Four-Year Pub.	224	154	259	417	605	425	(192)	(451)	(166)
Private	72	95	121	72	95	121	-	-	-
Comm. Coll.	450	482	615	488	493	732	(38)	(6)	(117)

APPENDIX C

PHYSICAL CAPACITY, WASHINGTON PRIVATE HIGHER EDUCATION

Task Force Comments on the Study

1. The enrollment data used for these capacity calculations are full-time head count, exclusive of night school and off-campus enrollment. The use of this data instead of full-time-equivalent (FTE) enrollment is defended by the Task Force on the basis that full-time head count is more appropriate to our task which is to calculate the physical capacity of campus facilities.

2. The Task Force has assumed that the facilities inventory data submitted by the participating institutions is correct. Time would not permit an audit of the physical plant inventory of each institution.

3. The capacity calculations have been based entirely on instructional space (classrooms, laboratories, offices and study spaces, including library-study space). Noninstructional categories have been considered, but were not used to calculate the primary capacity of each institution.

4. The capacity calculations assume total flexibility among the four types of instructional space on a campus. In effect, this means that a shortage of one type of instructional space (study space, for instance) can be tolerated even while additional enrollment are accepted to fill the surplus in another type of space (laboratories, for instance).

   The additional pressure on shortage spaces can be managed by accepting further crowding, making temporary use of other space (using a classroom as a study space, for instance), or by physical conversion of surplus space for use in a shortage category.

5. The state space standards have been used to calculate the capacity of each institution. The Task Force recognizes that private institutional practices may not be the same as those of public institutions. However, the state space standards have long been used to analyze federal construction grants for both public and private institutions and are considered valid for the purpose of this study.

6. Variances in the number of in-class hours per student and in the amount of emphasis on laboratory courses have been allowed to stand even though the result is a different assignable square foot/student "optimum" for each institution. The alternative, a standard ASF/student "optimum" assumes that program uniqueness can be sacrificed -- an assumption the Task Force did not feel was within its charge.

TASK FORCE ON THE CAPACITY OF INDEPENDENT HIGHER EDUCATION

Type of Space, Indexes, and Remarks	
1. Classroom Facilities:	
Index:	1 sq. ft. per student contact hour in classrooms.
Utilization:	30 hours a week, 60% station occupancy, 15 sq. ft. per student station = .833
Remarks:	Smaller institutions cannot attain utilization goals because of existing sizes of classrooms, fewer classes to be scheduled, fewer students. An adjustment of fullness to 50%, hours to 25 per week, or sq. ft. per student station to 18 solves the formula. The student count will be full-time, day-time students on campus and will be a headcount. The average student load for the campus is a certain number of hours per week in class; of this number, what is the average number of hours per week per student in classrooms.
2. Laboratory Facilities:	
Index:	4.25 sq. ft. per student contact hour in science labs. 10.00 sq. ft. per student contact hour in engineering labs.
Utilization:	20 hours a week, 80% station occupancy, 68 sq. ft. per student station in science labs, 160 sq. ft. per student station in engineering labs.
Remarks:	Two methods of making the calculation: (1) by assuming that every student at the institution generates a certain number of hours per week in laboratories, (2) by differentiating between science and engineering contact hours and separating those students from the total enrollment. May assume the average number of hours per week per student enrolled at the institution is 3 contact hours, or another number (stating what it is). Multiply the number of engineering students by 4 contact hours per week, subtracting those students from the total enrollment.

3. Office Facilities:

Index: 135 sq. ft. per person needing offices

Remarks: The calculation includes the entire faculty and staff of the institution that needs office space. This includes all secretaries, librarians, accountants, registration clerks, etc., and excludes janitors, groundskeepers, and machinists and others who do not have office space.

To err on the side of overcompensation, treat part-time faculty and staff as full-time; use the headcount.

---

4. Study Facilities:

Index: 10 volumes per sq. ft. of stack space
30 sq. ft. per station, 25% of student body, or 7½ sq. ft. per student for reading room space
25% of reading room space for processing and other service area

Remarks: The current size of the collection plus the yearly acquisition rate provides a means of projecting the need for library space.

Use the fulltime day-time headcount for enrollment, as in classroom space.

---

5. Research Facilities:

Index: 82½ sq. ft. per faculty member for faculty research space in sciences and engineering. (75 in department, 7½ in library)
16½ sq. ft. per faculty member in all other fields. (1½ in 75 sq. ft. for graduate students in sciences and engineering; included in library standards for all other fields.

Remarks: Research space must be calculated separately for sciences and engineering, need faculty count by these categories.
3 research demand units for each faculty and graduate student in sciences and engineering multiplied by the departmental research factor (25 sq. ft.) equals 75 sq. ft. per person in sciences and engineering.

Other faculty generate 1½ in department, 15 sq. ft. in library.
All students have already generated 7½ sq. ft. in library space, science and engineering graduate students generate an additional 75 sq. ft. in departmental space.

6. Special-Use Facilities:

A. Athletic-Physical Education-Recreation Facilities

Index: 12.1 sq. ft. per undergraduate student
12.1 sq. ft. per student, 25% of graduate students
12.1 sq. ft. per person, 15% of faculty and staff

Remarks: Has no bearing on tne determination of capacity, but may be calculated to indicate the adequacy of facilities.

Other Special-Use Facilities such as armory, audio-visual, clinic, demonstration, and field facilities have no bearing on capacity.

---

7. General-Use Facilities:

A. Student Health Facilities

Index: 4 sq. ft. per residential student
1 sq. ft. per commuter student

B. Student Service Facilities

Index: 8.25 sq. ft. per student

Remarks: This category includes student union space such as food, lounge, and merchandising facilities.

Other General-Use Facilities such as assembly and exhibition space, have no bearing on capacity, may be calculated to indicate adequacy.

---

8. Supporting Facilities:

A. Shop Facilities

Index: 2.2% of total assignable square feet of on-campus non-residential space.

B. Storage Facilities

Index: 1 sq. ft. per lower division student, 1.5 sq. ft. per upper division student, 2 sq. ft. per graduate student for institutional storage.
2% of total laboratory, office, and research space for departmental storage.

8. Supporting Facilities: (continued)

Remarks: Other Supporting Facilities such as data processing, vehicle storage, central food stores, and central laundry facilities have no bearing on capacity but may be calculated to indicate adequacy.

---

9. Medical Facilities:

Remarks: Not applicable to institutions without a medical school.

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10. Residential Facilities:

Remarks: Not applicable to the calculation of capacity in this study. It is assumed that housing could be obtained on the private market if not available at the institutions.

Fort Wright College
Spokane, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 16 contact hours a week in a classroom.	7,040	10,677
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	5,610	23,057
3. Office Facilities 71 persons need office space.	9,585	9,772
4. Study Facilities 57,000 volumes in the library.	9,450	8,960
TOTAL	31,685	52,466

A.	1969 Enrollment	440 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	72 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+22,581 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	314 students

Fort Wright College
Page 2

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 47 faculty	776	0
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	4,083	7,188
3. General-Use Facilities a. Student Health	1,130	176
b. Student Services	3,630	28,083
4. Supporting Facilities a. Shop	2,618	4,054
b. Storage	972	7,301
TOTAL	13,209	46,802
5. Total of Instructional Space from Page 1	31,685	52,466
GRAND TOTAL	44,894	99,268

Gonzaga University
Spokane, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

	Type of Space	Required Square Feet	Existing Square Feet
1.	Classroom Facilities An average student spends 14 contact hours a week in a classroom.	32,410	43,222
2.	Laboratory Facilities An engineering student spends 4 contact hours a week in a laboratory. All others spend 3 hours a week in a laboratory.	38,750	48,944
3.	Office Facilities 307 persons need office space.	41,445	53,994
4.	Study Facilities 216,890 volumes in the library.	43,393	30,507
	TOTAL	155,998	176,667

A.	1969 Enrollment	2,315 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	67 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+20,669 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	309 students

Gonzaga University
Spokane, Washington

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 41 faculty in science and engineering	5,347	4,076
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	27,437	52,530
3. General-Use Facilities		
a. Student Health	6,515	4,325
b. Student Services	19,099	41,604
4. Supporting Facilities		
a. Shop	7,274	21,711
b. Storage	4,697	6,832
TOTAL	70,369	130,978
5. Total of Instructional Space from Page 1	155,998	176,667
GRAND TOTAL	226,367	307,645

Northwest College
Kirkland, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 14 contact hours a week in a classroom.	7,616	9,644
2. Laboratory Facilities An average student spends 1 contact hour a week in a laboratory.	2,312	3,647
3. Office Facilities 45 persons need office space.	6,075	7,117
4. Study Facilities 29,321 volumes in the library.	8,032	5,358
TOTAL	24,035	25,766

A. 1969 Enrollment	544 students
B. Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	44 sq. ft.
C. Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+1,731 sq. ft.
D. Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	39 students

Northwest College
Page 2

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 22 faculty in science	363	0
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	6,635	7,928
3. General-Use Facilities		
a. Student Health	1,711	149
b. Student Services	4,488	10,339
4. Supporting Facilities		
a. Shop	1,156	957
b. Storage	729	852
TOTAL	39,117	45,991
5. Total of Instructional Space from Page 1	24,035	25,766
GRAND TOTAL	63,152	71,757

Pacific Lutheran University
Tacoma, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 14 contact hours a week in a classroom.	31,836	30,026
2. Laboratory Facilities An average student spends 2 contact hours a week in a laboratory.	19,329	27,229
3. Office Facilities 302 persons need office space.	40,770	44,348
4. Study Facilities 118,432 volumes in the library.	33,187	48,828
TOTAL	125,122	150,431

A. 1969 Enrollment	2,274 students
B. Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	55 sq. ft.
C. Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+25,309 sq. ft.
D. Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	460 students

Pacific Lutheran University
Page 2

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 26 faculty in science.	4,224	1,858
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	27,301	79,655
3. General-Use Facilities		
a. Student Health	7,374	3,210
b. Student Services	18,761	66,838
4. Supporting Facilities		
a. Shop	7,519	795
b. Storage	4,192	2,268
TOTAL	69,371	154,624
5. Total of Instructional Space from Page 1	125,122	150,431
GRAND TOTAL	194,493	305,055

St. Martin's College
Olympia, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 13 contact hours a week in a classroom.	9,789	10,476
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	9,601	9,462
3. Office Facilities 75 persons need office space.	9,855	12,585
4. Study Facilities 57,223 volumes in the library.	12,782	4,896
TOTAL	42,027	37,419

A.	1969 Enrollment	753 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	56 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	-4,608 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	- 82 students

1970 Capacity
Calculated on the Basis of Instructional and Support Spaces

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 16 faculty in sciences.	1,485	100
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	10,472	41,128
3. General-Use Facilities		
a. Student Health	3,012	1,071
b. Student Services	6,212	27,199
4. Supporting Facilities		
a. Shop	2,847	905
b. Storage	1,360	1,845
TOTAL	25,388	72,248
5. Total of Instructional Space from Page 1	42,027	37,419
GRAND TOTAL	67,415	109,667

Seattle Pacific College
Seattle, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 14 contact hours a week in a classroom.	27,468	37,703
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	25,016	27,767
3. Office Facilities 275 persons need office space.	37,125	50,464
4. Study Facilities 79,806 volumes in the library.	26,375	18,445
TOTAL	115,984	134,379

A.	1969 Enrollment	1,962 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	59 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+18,395 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	312 students

Seattle Pacific College
Page 2

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 10 faculty in science.	2,376	1,268
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	29,594	30,987
3. General-Use Facilities		
a. Student Health	5,211	3,097
b. Student Services	16,187	47,192
4. Supporting Facilities		
a. Shop	6,251	6,313
b. Storage	15,559	26,770
TOTAL	75,178	115,627
5. Total of Instructional Space from Page 1	115,984	134,379
GRAND TOTAL	191,162	250,006

Seattle University
Seattle, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 14.5 contact hours in a classroom a week.	41,535	57,717
2. Laboratory Facilities An engineering student spends 5 hour in a lab per week, all others spend 1.3 hours.	23,086	60,042
3. Office Facilities 382 persons need office space.	51,570	89,016
4. Study Facilities 136,825 volumes in the library.	46,119	70,523
TOTAL	162,310	277,298

A.	1969 Enrollment	2,851 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	57 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+114,988 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	2,017 students

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 30 faculty in science and engineering	13,662	9,558
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	37,035	68,008
3. General-Use Facilities a. Student Health b. Student Services	100 23,520	) 39,455)
4. Supporting Facilities a. Shop b. Storage	9,141 7,891	4,650 5,550
TOTAL	96,349	127,221
5. Total of Instructional Space from Page 1	162,310	277,298
GRAND TOTAL	258,659	404,519

University of Puget Sound
Tacoma, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 16 contact hours a week in a classroom.	42,560	69,192
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	33,915	52,430
3. Office Facilities 264 persons need office space.	35,640	46,555
4. Study Facilities 143,535 volumes in the library.	39,292	30,903
	151,407	199,080

A. 1969 Enrollment	2,660 students
B. Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	57 sq. ft.
C. Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+47,673 sq. ft.
D. Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	836 students

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 21 faculty and 15 graduate students in science.	4,491	6,026
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	31,286	67,123
3. General-Use Facilities		
a. Student Health	6,014	973
b. Student Services	21,945	61,668
4. Supporting Facilities		
a. Shop	8,943	7,928
b. Storage	4,923	23,075
TOTAL	77,602	166,793
5. Total of instructional space from Page 1	151,407	199,080
GRAND TOTAL	229,009	365,873

Walla Walla College
Walla Walla, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 14 contact hours a week in a classroom.	24,010	41,960
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	21,866	65,051
3. Office Facilities 398 persons need office space.	53,730	28,969
4. Study Facilities 103,824 volumes in the library.	26,461	20,379
TOTAL	126,067	156,359

A.	1969 Enrollment	1,715 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	74 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+30,292 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	409 students

Walla Walla College
Page 2

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 20 faculty in science and engineering	2,871	210
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	20,711	36,738
3. General-Use Facilities		
a. Student Health	4,970	440
b. Student Services	14,149	35,205
4. Supporting Facilities		
a. Shop	7,479	4,871
b. Storage	3,680	31,490
TOTAL	53,760	108,954
5. Total of Instructional Space from Page 1	126,067	156,359
GRAND TOTAL	179,927	265,313

Whitman College
Walla Walla, Washington

1970 Capacity
Calculated on the Basis of Instructional Space Only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities Average student spends 15 hours a week in a classroom.	16,815	27,174
2. Laboratory Facilities An average student spends 3 contact hours a week in a laboratory.	14,293	26,191
3. Office Facilities 196 persons need office space.	26,460	30,250
4. Study Facilities 146,000 volumes in the library.	25,109	34,515
TOTAL	82,677	118,130

A. 1969 Enrollment	1,121	students
B. Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	74	sq. ft.
C. Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	35,453	sq. ft.
D. Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	479	students

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 18 faculty @82.5 S.F. each = 1,485 61 faculty @16.5 S.F. each = 1,007	2,492	679
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	13,927	64,572
3. General-Use Facilities		
a. Student Health	3,317	3,696
b. Student Services	9,248	21,982
4. Supporting Facilities		
a. Shop	5,868	1,667
b. Storage	1,986	478
TOTAL	36,838	93,074
5. Total of Instructional Space from Page 1	82,677	118,130
GRAND TOTAL	119,515	211,204

Whitworth College
Spokane, Washington

1970 Capacity
Calculated on the Basis of Instructional Space only

Type of Space	Required Square Feet	Existing Square Feet
1. Classroom Facilities An average student spends 13 contact hours a week in a classroom.	17,823	33,639
2. Laboratory Facilities An average student spends 2 hours a week in a laboratory.	11,654	34,700
3. Office Facilities 132 persons need office space.	17,820	26,888
4. Study Facilities 56,666 volumes in the library.	20,799	25,775
TOTAL	68,096	121,002

A.	1969 Enrollment	1,371 students
B.	Current Assignable Square Feet Per Student (Total Required Sq. Ft./Enrollment)	50 sq. ft.
C.	Existing Surplus (Existing Sq. Ft. - Required Sq. Ft.)	+52,906 sq. ft.
D.	Additional Capacity in Current Facilities (Existing Surplus/Current Sq. Ft. Per Student)	1,058 students

Whitworth College
Spokane, Washington

1970 Capacity
Calculated on the Basis of Instructional and Support Space

Type of Space	Required Square Feet	Existing Square Feet
1. Research Facilities 16 faculty in science and engineering.	2,277	0
2. Special-Use Facilities a. Athletics-Physical Education-Recreation	13,998	56,310
3. General-Use Facilities a. Student Health b. Student Services	5,484 11,311	2,800 49,833
4. Supporting Facilities a. Shop b. Storage	5,882 2,915	21,500 0
TOTAL	41,867	130,443
5. Total of Instructional Space from Page 1.	68,096	121,002
GRAND TOTAL	103,400	251,445

APPENDIX D

SUPPORTING DATA

FINANCIAL STATUS OF WASHINGTON PRIVATE HIGHER EDUCATION

--Institutional Profiles,
Schedules I-V

--Schedule VI - Combined Balance Sheet Items

--Schedule VII - Combined and Adjusted Fund Balances

--Schedule VIII - Endowment Profile

--Schedule IX - Physical Plant Asset Profile

--Schedule X - Debt Service Requirements

--Exhibit I - Current Fund Profile
Prosection Approach

--Exhibit II - Current Fund Profile
Explanation of Headings

School:	Fort Wright College
Location:	Spokane, Washington
Student Body size:	416 F.T.E.
Faculty size:	38 F.T.E.
Asset value:	$4,409,196
Long-term indebtedness:	$1,110,555

Financial controls

The financial controls existing at Fort Wright College consist primarily of an annual budget, time phased by quarter, and a quarterly income statement. The accounts are prepared on a modified accrual basis and the general ledger is reconciled to most subsidiary accounts on a monthly basis. Encumbrance accounting is not utilized nor is a five-year budget prepared. Cash flow projections are prepared on a demand basis.

Current operating fund

Fort Wright College has for the past several years incurred relatively large current operating deficits. Projections indicate that the Current Fund will operate on a breakeven basis for fiscal 1973 and the following two years. This projected improvement is due entirely to large anticipated increases in tuition and sought for enrollment increase, reaching a tuition of $1,750 and an enrollment of 550 by 1975. (Tuition and enrollment are currently $1,200 and 300 students respectively.) The projections may be optimistic considering the presence of Spokane Community College a few hundred yards across campus and Eastern Washington State College only 13 miles away in Cheney.

The cumulative deficits of the current fund have been funded by long-term notes assigned to the Plant Fund.

External indebtedness

The land and the majority of the physical plant were acquired from the government several years ago (Fort George Wright) and will not be free of indebtedness until 1980-81. This agreement stipulated that this property could not be encumbered by additional debt obligations until the original debt to the government had been satisfied. Consequently, the college has limited assets with which to collateralize its loans.

Fort Wright's debt service requirements average $135,000 through 1975 and account for the majority of the college's current operating deficit. The Plant Fund debt was 28% of plant assets for 1969 and most likely will remain close to that level through 1975.

Combined fund balances

The combined fund balances for 1970 with fixed assets and endowments stated at market are $2,856,281 for 1970, which is the lowest net worth of all colleges in the survey. Consequently, any continued operating deficit critically affects the financial stability of the college.

SCHEDULE I

CURRENT FUND PROFILE

FORT WRIGHT COLLEGE

SOURCE OF FUNDS:	Year ended summer 1968 Restricted	Non-restricted	Total	Year ended summer 1969 Restricted	Non-restricted	Total	Year ended summer 1970 Restricted	Non-restricted	Total	Year ended summer 1971 Restricted	Non-restricted	Total
Tuition and fees	$7,975	$253,928	$ 261,903	$7,454	$ 254,317	$ 261,771	$ 8,000	$ 279,348	$ 287,348	$ 8,000	$ 329,600	$ 337,600
Endowment income		2,667	2,667		1,756	1,756		3,000	3,000		1,400	1,400
Organized activities												
Gifts - Church												
Gifts - Other								48,000	48,000			
Grants - Government												
Grants - Other		69,331	69,331		65,971	65,971	18,250	78,750	97,000	18,642	52,000	70,642
Contributed services		210,009	210,009		234,548	234,548		226,900	226,900		238,100	238,100
Student aid		182,455	182,455					3,000	3,000		3,000	3,000
Auxiliary enterprises		73,077	73,077		174,975	174,975		206,116	206,116		204,150	204,150
Other sources					47,388	47,388		26,500	26,500		15,150	15,150
Total	7,975	791,467	799,442	7,454	778,955	786,409	26,250	871,614	897,864	26,642	843,400	870,042
APPLICATION OF FUNDS:												
General admin. and institut.		188,474	188,474		238,759	238,759		229,249	229,249		245,212	245,212
Instruction and dept. research		286,270	286,270		318,339	318,339		335,213	335,213		371,878	371,878
Libraries		25,890	25,890		31,979	31,979		33,975	33,975		36,485	36,485
Student services												
Sponsored research and programs												
Plant operation and maintenance		84,599	84,599		101,538	101,538		91,460	91,460		108,420	108,420
Subtotal		585,233	585,233		690,615	690,615		689,897	689,897		761,995	761,995
Student aid		46,507	46,507		38,941	38,941		54,150	54,150		55,000	55,000
Auxiliary enterprises		192,412	192,412		220,749	220,749		233,712	233,712		242,450	242,450
Student activities	7,975		7,975	7,454		7,454	8,000		8,000	8,000		8,000
Debt services		31,709	31,709		55,100	55,100		11,310	11,310		50,482	50,482
Other								13,600	13,600		13,600	13,600
Total	7,975	855,861	863,836	7,454	1,005,405	1,012,859	8,000	1,002,669	1,010,669	8,000	1,123,527	1,131,527
Net revenues			$ (64,394)			$ (226,450)			$ (112,805)			$ (261,485)

FORT WRIGHT COLLEGE - CURRENT FUND PROFILE : SCHEDULE I - cont'd.

SOURCE OF FUNDS:	Year ended summer 1972 Restricted	Non-restricted	Total	Year ended summer 1973 Restricted	Non-restricted	Total	Year ended summer 1974 Restricted	Non-restricted	Total	Year ended summer 1975 Restricted	Non-restricted	Total
Tuition and fees			$ 580,000			$ 620,000			$ 663,000			$ 709,000
Endowment income			1,500			1,500			1,500			1,500
Organized activities												
Gifts - Church												
Gifts - Other												
Grants - Government												
Grants - Other												
Contributed services			70,000			70,000			70,000			70,000
Student aid			240,000			240,000			240,000			240,000
Auxiliary enterprises			3,000			3,000			3,000			3,000
Other sources			218,000			233,000			249,000			266,000
			20,000			20,000			20,000			20,000
Total			1,132,500			1,187,500			1,246,500			1,309,500
APPLICATION OF FUNDS:												
General admin. and institut.			257,000			270,000			284,000			298,000
Instruction and dept. research			390,000			410,000			431,000			453,000
Libraries			38,000			40,000			42,000			44,000
Student services												
Sponsored research and programs												
Plant operation and maintenance			114,000			120,000			126,000			132,000
Subtotal			799,000			840,000			883,000			927,000
Student aid			50,000			50,000			50,000			50,000
Auxiliary enterprises			255,000			268,000			281,000			295,000
Student activities			15,000			11,000			15,000			15,000
Debt services			59,000			57,000			54,000			59,000
Other												
Total			1,178,000			1,232,000			1,287,000			1,348,000
Net revenues			$ (45,500)			$ (44,500)			$ (40,500)			$ (38,500)

SCHEDULE II

AUXILIARY ENTERPRISES

FORT WRIGHT COLLEGE

	Year ended July 31,		
	1968	1969	1970
RECEIPTS:			
Residence halls	$ 49,509	$ 52,791	$ 63,120
Dining hall	100,615	96,287	112,474
Book niche	26,126	25,896	30,522
Duplicating room	6,153	-	-
Infirmary	52	1	-
	182,455	174,975	206,116
EXPENDITURES:[1]			
Residence halls	20,305	47,710	29,080
Dining hall	82,576	88,580	98,120
Book niche	27,860	29,561	32,587
Duplicating room	6,878	-	-
Infirmary	2,173	2,278	5,015
Debt service	52,620	52,620	68,910
	192,412	220,749	233,712
Excess receipts (expenditures)	$ (9,957)	$(45,774)	$(27,596)

1 Expenditures include debt servicing for auxiliary enterprise fixed assets.

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

FORT WRIGHT COLLEGE

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 41,728	$ 39,452	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Notes payable		165,000	25,000	25,000	25,000	25,000	25,000	25,000
Deposits (students)	5,270	7,894	10,000	10,000	10,000	10,000	10,000	10,000
Total current fund debt	46,998	212,346	75,000	75,000	75,000	75,000	75,000	75,000
As % of current op. expense	7.9%	30.7%	10.9%	9.9%	9.4%	8.9%	8.5%	8.1%
As % of liquid assets	38.3%	359.3%						
PLANT FUND:								
Auxiliary enterprise - Bonds payable	325,750	543,000	500,000	480,000	468,000	440,000	420,000	400,000
Non-auxiliary - Notes payable	556,678	601,815	811,000	730,000	657,000	591,000	532,000	479,000
Total plant fund debt	882,428	1,144,815	1,311,000	1,210,000	1,125,000	1,031,000	952,000	879,000
As % of total plant assets	22.9%	28.5%						
OTHER FUNDS:								
Total other funds								
Total indebtedness	$929,426	$1,357,161	$1,386,000	$1,285,000	$1,200,000	$1,106,000	$1,027,000	$ 954,000
As % of total fund balances	26.0%	45.6%						

SCHEDULE IV

FUND BALANCES

FORT WRIGHT COLLEGE

	1968	1969	1970
CURRENT FUNDS (unrestricted):			
Assets	$ 126,060	$ 100,802	$ 100,674
Due from other funds	-	-	-
Liabilities	81,238	247,368	143,905
Due to other funds	34,240	35,022	62,142
Fund balance	44,822	(146,566)	(43,231
PLANT FUND:			
Assets	3,851,677	4,014,975	4,071,506
Due from other funds	10,000	10,000	10,000
Liabilities	556,678	1,144,815	1,409,010
Due to other funds	-	-	-
Balance	3,294,999	2,870,160	2,662,496
LOAN FUND:			
Assets	107,542	122,611	134,90
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	107,542	122,611	134,90
ENDOWMENT FUND:			
Assets	86,195	86,218	93,03
Due from other funds	72	72	27,19
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	86,195	86,218	93,03
CURRENT FUNDS (restricted):			
Assets	34,843	40,015	40,16
Due from other funds	24,168	24,950	24,95
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	34,843	40,015	40,16
COMBINED FUNDS - Assets	$4,206,317	$4,364,621	$4,440,28
- Liabilities	$ 637,916	$1,392,183	$1,552,91
- Balances	$3,568,401	$2,972,438	$2,887,37

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF SUMMER 1970

FORT WRIGHT COLLEGE

Debtor	Current fund	Plant fund	Loan fund	Endowment fund	Current restricted fund
Current fund	-	$10,000	-	$27,192	$24,950
Plant fund	-	-	-	-	-
Loan fund	-	-	-	-	-
Endowment fund	-	-	-	-	-
Current restricted fund	-	-	-	-	-

School: Gonzaga University

Location: Spokane, Washington

Student Body size: 2,597 F.T.E.

Faculty size: 170 F.T.E.

Asset value: $21,362,994

Long-term indebtedness: $7,897,000

Financial controls

The financial controls at Gonzaga University consist primarily of an annual budget time phased by month, a cash flow projection prepared on an "as required" basis (usually annually), and a balance sheet and income statement prepared on a monthly basis and reconciled to the subsidiary accounts. The budget is not currently compared to actuals nor is encumbrance accounting utilized. However, the treasurer plans to initiate both of these procedures this fiscal year (1970-71).

Current operating fund

The current operating fund projections are based on the 1970-71 budget which includes significant reductions in expenditures over the prior year. These budget cuts will reduce the operating deficit by over $600,000 from 1969-70. However, a deficit of approximately $300,000 is still projected.

Gonzaga University has incurred and most likely will continue to incur sizeable deficits in its current operating fund. These deficits are due to large debt service requirements and the failure of increases in enrollment and tuition to keep pace with rising operating costs.

The school's administration plans to stabilize enrollment at between 2700-2800 full-time students by 1975. They believe that increases in tuition and an accelerated gift and endowment program will generate the revenue required to meet operating costs.

The cumulative deficits in the current fund have been funded by long-term notes assigned to and secured by the Plant Fund. However, the net revenues generated by the auxiliary enterprises operated at the University are not sufficient to meet this obligation. Consequently, the indebtedness of the Plant Fund will continue to increase if the Current Fund continues operating at a deficit.

External indebtedness

The university's external indebtedness consists primarily of obligations of the Plant Fund. However, approximately $1,700,000 of the Plant Fund's $7,897,000 indebtedness represented funding of current operating fund deficits.

As of summer 1969 Plant Fund indebtedness represented 77% of total plant assets. This relative percentage is believed to substantially increase for the near term because of funding requirements for Current Fund deficits and the fact that the university has negotiated to suspend principal payments on its federal HUD bonds for 1970 through 1974. The current balance owing on these bonds is $4,888,000.

Combined fund balances

The combined fund balances for 1970 with fixed assets and endowments stated at market indicate a net fund balance of over $12,000,000. Considering these net resources, the university may be able to withstand operating deficits for several more years.

SCHEDULE I

CURRENT FUND PROFILE

GONZAGA UNIVERSITY

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
SOURCE OF FUNDS:	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Tuition and fees	$ -	$2,740,311	$2,740,311	$ -	$3,065,278	$ 3,065,278	$ -	$3,541,931	$3,541,931	$ -	$3,590,000	$3,590,000
Endowment income		23,946	23,946		22,708	22,708		17,750	17,750		25,000	25,000
Organized activities		134,898	134,898		116,134	116,134		113,301	113,301		124,000	124,000
Gifts - Church												
Gifts - Other	191,702	43,563	235,265	253,400	42,928	296,328		226,000	226,000		388,000	388,000
Grants - Government							237,000		237,000	283,000		283,000
Grants - Other												
Contributed services		402,365	402,365		368,670	368,670		426,967	426,967		465,000	465,000
Student aid												
Auxiliary enterprises		1,310,840	1,310,840		1,463,549	1,463,549		1,449,470	1,449,470		1,472,000	1,472,000
Other sources		90,617	90,617		120,292	120,292		137,241	137,241		165,000	165,000
Total	191,702	4,746,540	4,938,242	253,400	5,199,559	5,452,959	237,000	5,912,660	6,149,660	283,000	6,229,000	6,512,000
APPLICATION OF FUNDS:												
General admin. and institut.		872,421	872,421		1,227,750	1,227,750		1,482,311	1,482,311		1,450,000	1,450,000
Instruction and dept. research		1,686,870	1,686,870	50,000	1,742,872	1,792,872	30,000	1,960,921	1,990,921	30,000	1,950,000	1,980,000
Libraries		197,554	197,554		236,148	236,148		262,242	262,242		214,000	214,000
Student services		92,195	92,195		83,464	83,464		90,884	90,884		94,000	94,000
Sponsored research and programs												
Plant operation and maintenance		339,370	339,370		409,973	409,973		351,206	351,206		344,000	344,000
Subtotal		3,188,410	3,188,410	50,000	3,700,207	3,750,207	30,000	4,147,564	4,177,564	30,000	4,052,000	4,082,000
Student aid	198,357	325,616	523,973	203,400	395,384	598,784	207,000	535,000	742,000	253,000	530,000	783,000
Auxiliary enterprises		1,240,293	1,240,293		1,434,392	1,434,392		1,295,863	1,295,863		1,256,000	1,256,000
Student activities		233,704	233,704		230,723	230,723		225,000	225,000		220,000	220,000
Debt services		522,016	522,016		615,529	615,529		687,882	687,882		482,000	482,000
Total	198,357	5,510,039	5,708,396	253,400	6,376,235	6,629,635	237,000	6,891,309	7,128,309	283,000	6,540,000	6,823,000
Net revenues (expenses)			$ (770,154)			$(1,176,676)			$ (978,649			$ (311,000)

CURRENT FUND PROFILE

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
SOURCE OF FUNDS:	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Tuition and fees	$ -	$3,874,000	$3,874,000	$ -	$4,143,000	$4,143,000	$ -	$4,232,000	$4,232,000	$ -	$4,320,000	$4,320,000
Endowment income		26,000	26,000		28,000	28,000		29,000	29,000		30,000	30,000
Organized activities		128,000	128,000		130,000	130,000		132,000	132,000		134,000	134,000
Gifts - Church												
Gifts - Other		400,000	400,000		400,000	400,000		400,000	400,000		400,000	400,000
Grants - Government	292,000		292,000	300,000		300,000	309,000		309,000	319,000		319,000
Grants - Other												
Contributed services		477,000	477,000		489,000	489,000		501,000	501,000		513,000	513,000
Student aid												
Auxiliary enterprises		1,494,000	1,494,000		1,518,000	1,518,000		1,539,000	1,539,000		1,563,000	1,563,000
Other sources		173,000	173,000		182,000	182,000		191,000	191,000		201,000	201,000
Total	292,000	6,572,000	6,864,000	300,000	6,890,000	7,190,000	309,000	7,024,000	7,333,000	319,000	7,161,000	7,480,000
APPLICATION OF FUNDS:												
General admin. and institut.		1,537,000	1,537,000		1,629,000	1,629,000		1,727,000	1,727,000		1,831,000	1,831,000
Instruction and dept. research	30,000	2,106,000	2,136,000	30,000	2,274,000	2,304,000	30,000	2,456,000	2,486,000	30,000	2,652,000	2,682,000
Libraries		225,000	225,000		236,000	236,000		248,000	248,000		260,000	260,000
Student services		99,000	99,000		104,000	104,000		109,000	109,000		114,000	114,000
Sponsored research and programs												
Plant operation and maintenance		368,000	368,000		394,000	394,000		422,000	422,000		451,000	451,000
Subtotal	30,000	4,335,000	4,365,000	30,000	4,637,000	4,667,000	30,000	4,962,000	4,992,000	30,000	5,308,000	5,338,000
Student aid	262,000	538,000	800,000	270,000	546,000	816,000	279,000	554,000	833,000	289,000	562,000	851,000
Auxiliary enterprises		1,275,000	1,275,000		1,294,000	1,294,000		1,313,000	1,313,000		1,333,000	1,333,000
Student activities		222,000	222,000		224,000	224,000		226,000	226,000		228,000	228,000
Debt services		477,000	477,000		528,000	528,000		547,000	547,000		597,000	597,000
Total	292,000	6,847,000	7,139,000	300,000	7,229,000	7,529,000	309,000	7,602,000	7,911,000	319,000	8,028,000	8,347,000
Net revenues (expenses)			$ (275,000)			$ (339,000)			$ (578,000)			$ (867,000

SCHEDULE II

AUXILIARY ENTERPRISES

GONZAGA UNIVERSITY

	Year ended June 2, 1968	Year ended June 1, 1969	Year ended June 1, 1970
RECEIPTS:			
Residence halls	$ 349,435	$ 409,810	$ 444,747
Dining halls	680,581	755,337	704,761
Bookstore	197,154	206,310	208,165
Print shop	58,798	67,809	66,953
Infirmary	24,872	24,283	24,844
	1,310,840	1,463,549	1,449,470
EXPENDITURES:[1]			
Residence halls	204,327	226,508	232,093
Dining halls	512,497	610,959	605,807
Bookstore	166,492	187,074	181,971
Print shop	94,224	123,508	68,966
Infirmary	23,230	34,152	41,420
Debt service principal	70,000	85,000	
Debt service interest	169,523	167,191	165,606
	1,240,293	1,434,392	1,295,863
Excess receipts (expenditures)	$ 70,547	$ 29,157	$ 153,607

1 Expenditures include debt servicing for auxiliary enterprise assets.

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

GONZAGA UNIVERSITY

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 167,600	$ 369,879	$ 395,000	$ 395,000	$ 395,000	$ 395,000	$ 395,000	$ 395,000
Notes payable	1,380,000	1,400,000		85,000	95,000			
Accrued taxes	20,031	45,827	47,000	48,410	49,862	51,357	52,897	54,834
Accrued salaries	81,890	116,031	135,218	145,000	156,600	169,128	182,658	197,271
Deposits on tuition and fees	166,043	155,612	154,717	157,811	160,967	164,186	167,470	170,820
Other payables	158,161	158,188	158,000	158,000	158,000	158,000	158,000	158,000
Total current fund debt	1,973,725	2,245,537	889,935	989,221	1,015,429	937,671	956,025	975,925
As % of current op. expense	40.7%	40.4%	21.3%	24.2%	23.2%	20.1%	19.2%	18.3%
As % of liquid assets	573.0%	682.0%						
PLANT FUND:								
Auxiliary enterprises bonds payable	4,974,000	4,889,000	4,888,000	4,888,000	4,888,000	4,888,000	4,800,000	4,715,000
Other plant fund notes payable	1,520,323	1,261,553	3,009,000	2,942,000	2,871,000	2,743,000	2,674,000	2,542,000
Total plant fund debt	6,494,323	6,150,553	7,897,000	7,830,000	7,759,000	7,631,000	7,474,000	7,257,000
As % of total plant assets	87.2%	77.0%						
OTHER FUNDS:								
Accrued payroll	1,353	5,799	5,800	5,800	5,800	5,800	5,800	5,800
Total other fund debt	1,353	5,799	5,800	5,800	5,800	5,800	5,800	5,800
Total indebtedness	$8,469,401	$8,401,889	$8,792,735	$8,825,021	$8,780,229	$8,574,471	$8,435,825	$8,238,725
As % of total fund balances	103.0%	101.7%						

SCHEDULE IV

FUND BALANCES

GONZAGA UNIVERSITY

	1968	1969	1970
CURRENT FUNDS (unrestricted):			
Assets	$ 513,288	$ 520,361	
Due from other funds	2,343	20,128	
Liabilities	2,062,763	2,347,647	
Due to other funds	89,038	102,110	
Fund balance	(1,549,475)	(1,827,286)	
PLANT FUND:			
Assets	14,494,352	14,444,809	
Due from other funds	80,839	67,584	
Liabilities	6,601,009	6,257,240	
Due to other funds	106,686	106,687	
Fund balance	7,893,343	8,187,569	
LOAN FUND:			
Assets	1,092,331	1,289,616	
Due from other funds	-	-	
Liabilities	-	13,292	
Due to other funds	-	13,292	
Fund balance	1,092,331	1,276,324	
ENDOWMENT FUND:			
Assets	781,402	622,155	
Due from other funds	114,885	141,213	
Liabilities	-	-	
Due to other funds	-	-	
Fund balance	781,402	622,155	
CURRENT FUNDS (restricted):			
Assets	3,696	12,635	
Due from other funds	-	-	
Liabilities	3,696	12,635	
Due to other funds	2,343	6,836	
Fund balance	-	-	
COMBINED FUNDS - Assets	$16,885,069	$16,889,576	
- Liabilities	$ 8,667,468	$ 8,630,814	
- Balances	$ 8,217,601	$ 8,258,762	

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF SUMMER 1970

GONZAGA UNIVERSITY

Debtor	Current fund	Plant fund	Loan fund	Endowment fund	Scholarship fund	Current restricted fund
Current fund	-	$ 27,113	$1,322	$ 24,314	-	-
Plant fund	-	-	-	155,650	-	-
Loan fund	-	-	-	-	-	-
Endowment fund	-	154,575	-	-	-	-
Scholarship fund	-	-	-	-	-	-
Current restricted	$9,033	-	-	-	-	-

School: Pacific Lutheran University

Location: Tacoma, Washington

Student Body size: 2,527 F.T.E.

Faculty size: 142 F.T.E.

Asset value: $27,334,857

Long-term indebtedness: $9,345,600

Financial controls

Pacific Lutheran University appears to be a well managed and relatively efficient college operation relying on good management rather than outside resources to sustain a breakeven operation.

Pacific Lutheran University has annual operating and capital budgets. Monthly income and expense reports and trial balances are prepared which compare actuals to annual budgets. Reports are prepared from an automated system which includes all basic business applications plus registration and enrollment. A detailed cost accounting analysis of all courses and all levels is performed on an annual basis.

In 1967 the University prepared a detailed comprehensive ten-year plan. This plan will be updated and extended this year; and the plans are to update it annually hereafter.

In general, it appears that Pacific Lutheran University has a sound financial control system which is quite advanced.

Current operating fund

Pacific Lutheran University is currently operating on a break-even basis. They have been able to maintain enrollments while at the same time increasing fees and tuition. Studies recently conducted at the University indicated that their association with the Lutheran Church is in part responsible for the strong enrollment picture.

It appears that Pacific Lutheran University can continue to operate on a break-even basis, although there is some concern that ever-increasing fees and tuition will create problems in the future.

External indebtedness

Plant fund debt comprises the majority of external indebtedness, and at the end of fiscal year 1970 totaled $9,356,000. Recent additions to physical plant include a $3,300,000 university center, of which $2,250,000 was financed by a bank loan. Their indebtedness is rather large in relation to the size of the college.

Debt service requirements average $500,000 over the next six years, and current operating revenue projections indicate that this debt service requirement can be satisfied.

Combined fund balances

The fund balances for Pacific Lutheran University are $14,850,000, with assets of $27,330,000 and liabilities of $12,490,000.

ANNEX I

CHANGE FUND PROFILE

PACIFIC LUTHERAN UNIVERSITY

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
SOURCE OF FUNDS:												
Tuition and fees	$	$5,736,189	$5,736,189	$	$6,796,000	$6,796,000	$	$7,964,100	$7,964,100	$	$9,171,000	$9,171,000
Endowment income		85,207	85,207		94,143	94,143		78,843	78,843		80,000	80,000
Organized activities		45,667	45,667		45,000	45,000		58,000	58,000		75,000	75,000
Gifts - Church		820,000	820,000		138,343	138,343		183,211	183,211		175,000	175,000
Gifts - Other	1,470	65,206	66,706	750	87,367	88,117		227,213	227,213		127,000	127,000
Grants - Government	308,401		308,401	222,470		222,470	371,437	58,602	430,039	402,405	84,000	210,000
Grants - Other	78,150		78,150	162,343		162,343	86,038		86,038	87,000		87,000
Consolidated services												
Student aid	274,314	3,275	277,589	287,821	2,862	290,683	137,000	105,650	242,650	133,000	105,000	238,000
Auxiliary enterprises		1,711,387	1,711,387		1,763,130	1,763,130		1,761,000	1,761,000		1,773,000	1,773,000
Other sources		98,859	98,859		110,243	110,243		80,750	80,750		110,000	110,000
Total	391,335	8,877,890	9,269,225	696,171	9,004,987	9,699,158	594,475	10,669,399	11,263,874	909,405	11,644,000	12,553,405
APPLICATION OF FUNDS:												
General and admin. and institut.		208,216	208,216		638,743	638,743		611,209	611,209		641,600	641,600
Instruction and dept. research	636	3,613,136	3,613,772	750	1,710,256	1,710,868		2,008,224	2,008,224		2,108,500	2,108,500
Libraries	87,000	161,800	248,800	9,843	185,215	195,058	19,350	196,134	215,484		224,700	224,700
Student services		501,875	501,875		278,758	278,758	619,237	303,156	303,156		320,200	320,200
Sponsored research and programs	127,818	58,696	186,492	286,723	87,761	374,483		21,887	641,124	641,000	22,000	663,000
Plant operation and maintenance		438,102	438,102		423,268	423,268		338,306	338,306		362,800	362,800
Subtotal	215,454	4,979,784	5,196,238	296,551	5,302,288	5,598,839	638,587	3,479,284	4,117,871	641,000	3,879,400	4,520,400
Student aid	274,314	163,862	438,850	262,421	227,361	489,782	183,434	176,766	359,700	249,000	367,200	367,200
Auxiliary enterprises		1,667,344	1,667,344		1,806,738	1,806,738		1,818,368	1,818,368		1,836,000	1,836,000
Student activities	869	65,000	65,869		91,536	91,536		87,267	87,267		88,900	88,900
Debt services		40,979	40,979		5,000	5,000		34,320	34,320		34,170	34,170
Total	490,637	6,966,784	7,457,421	558,972	7,432,923	7,991,895	821,021	5,565,983	6,387,004	890,000	6,205,670	7,095,670
Net revenues (expenses) before transfers			$ (187,803)			$ (292,737)			$ (123,130)			$ 457,735
Transfers												
Net revenues (expenses) after transfers												

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
SOURCE OF FUNDS:												
Tuition and fees	$	$8,853,000	$8,853,000	$	$6,587,000	$6,587,000	$	$4,612,000	$4,612,000	$	$6,620,000	$6,620,000
Endowment income		60,000	60,000		65,000	65,000		50,000	50,000		55,000	55,000
Organized activities		72,000	72,000		27,000	27,000		27,000	27,000		29,000	29,000
Gifts - Church		170,000	170,000		175,000	175,000		175,000	175,000		175,000	175,000
Gifts - Other		110,000	110,000		156,000	156,000		125,000	125,000		127,000	127,000
Grants - Government	248,000		248,000	225,000		225,000	211,000		211,000	181,000		181,000
Grants - Other	99,000		99,000	102,000		102,000	134,000		134,000	126,000		126,000
Consolidated services												
Student aid	120,000	112,000	232,000	190,000	120,600	310,600	144,470	120,000	264,470	148,700	130,000	278,700
Auxiliary enterprises		1,772,000	1,772,000		1,600,000	1,600,000		1,813,000	1,813,000		1,815,000	1,815,000
Other sources		105,000	105,000		130,000	130,000		140,000	140,000		143,000	143,000
Total	467,000	9,732,000	9,729,000	490,000	8,930,600	8,870,600	439,600	8,855,000	7,356,600	455,700	7,106,000	7,559,700
APPLICATION OF FUNDS:												
General and admin. and institut.		473,600	473,600		787,300	787,300		742,700	742,700		779,800	779,800
Instruction and dept. research		2,334,300	2,334,300		2,525,000	2,525,000		2,441,000	2,441,000		2,363,000	2,363,000
Libraries		232,900	232,900		267,700	267,700		260,100	260,100		275,100	275,100
Student services		356,200	356,200		376,000	376,000		302,700	302,700		412,300	412,300
Sponsored research and programs	450,000	36,000	486,000	470,000	60,000	530,000	430,000	66,000	496,000	510,000	53,000	563,000
Plant operation and maintenance		369,000	369,000		397,000	397,000		427,000	427,000		456,000	456,000
Subtotal	450,000	4,801,000	4,930,000	470,000	5,291,000	4,761,000	430,000	4,509,500	4,909,500	510,000	4,729,200	5,249,200
Student aid	200,000	196,000	396,000	230,860	206,300	436,960	236,000	220,000	456,000	257,000	220,000	477,000
Auxiliary enterprises		1,721,000	1,721,000		1,767,000	1,767,000		1,775,000	1,775,000		1,799,000	1,799,000
Student activities		62,500	62,500		66,000	66,000		69,500	69,500		72,800	72,800
Debt services		33,470	33,470		33,770	33,770		33,570	33,570		33,570	33,570
Total	650,000	6,908,470	7,558,470	700,860	7,332,770	7,895,730	726,000	6,605,570	7,329,570	767,000	6,864,370	7,631,370
Net revenues (expenses) before transfers			$ (27,970)			$ (90,130)			$ (38,970)			$ (71,670)
Transfers												
Net revenues (expenses) after transfers												

SCHEDULE II

AUXILIARY ENTERPRISES

PACIFIC LUTHERAN UNIVERSITY

	Year ended July 31, 1968	1969	1970
RECEIPTS:			
Residence halls	$ 598,090	$ 644,836	$ 605,238
Food service	853,290	844,068	864,690
Bookstore	260,007	274,426	290,652
	1,711,387	1,763,330	1,760,580
EXPENDITURES:			
Residence halls	305,315	387,282	359,181
Food service	581,566	637,383	634,799
Bookstore	231,422	238,831	252,986
Debt servicing	349,241	341,243	371,402
	1,467,544	1,604,739	1,618,368
EXCESS RECEIPTS (EXPENDITURES)	$ 243,844	$ 158,591	$ 142,211

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

PACIFIC LUTHERAN UNIVERSITY

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 38,411	$ 173,044	$ 74,018	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Notes payable	-	-	-	-	-	-	-	-
Deposit accounts	112,516	119,484	586,605	630,000	680,000	730,000	760,000	810,000
Bank overdraft	-	34,252	-	-	-	-	-	-
Accrued salaries and wages	44,026	35,344	128,123	70,000	80,000	90,000	100,000	110,000
Total current fund debt	194,953	362,124	788,746	775,000	835,000	895,000	935,000	995,000
As % of current operating expense	5.9%	9.8%	18.7%	17.9%	18.4%	18.7%	18.7%	18.9%
As % of liquid assets	123.6%	239.7%						
PLANT FUND:								
Accounts payable	251,049	256,249	11,300	-	-	-	-	-
Bonds payable	6,660,000	7,195,000	9,345,600	9,189,500	8,979,400	8,759,000	8,528,900	8,289,200
Other payables	20,582	20,100	-	-	-	-	-	-
Bank overdraft	112,841	-	-	-	-	-	-	-
Total plant fund debt	7,044,472	7,471,349	9,356,900	9,189,500	8,979,400	8,759,000	8,528,500	8,289,200
As % of total plant assets	41.7%	42.0%	44.0%					
OTHER FUNDS:								
Endowment - Real estate contract	8,194	6,445	-	-	-	-	-	-
Life income agreement (endowment)	32,294	-	-	-	-	-	-	-
Total other funds	40,488	6,445						
Total indebtedness	$7,279,913	$7,839,918	$10,145,646	$9,964,500	$9,814,400	$9,654,000	$9,463,500	$9,284,200
As % of total fund balances	66.5%	68.1%	77.3%					

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SCHEDULE IV

FUND BALANCES

PACIFIC LUTHERAN UNIVERSITY

	1968	1969	1970
CURRENT FUNDS:			
Assets	$ 496,642	$ 649,555	$ 895,84
Due from other funds	259,706	372,084	701,56
Liabilities	337,363	539,133	983,76
Due to other funds	-	-	88,59
Fund balance	159,279	110,422	(87,92
PLANT FUND:			
Assets	16,878,427	17,760,310	20,871,85
Due from other funds	164,098	-	23
Liabilities	7,452,186	7,831,784	10,003,97
Due to other funds	406,711	360,434	668,67
Balance	9,426,241	9,928,526	10,867,87
LOAN FUND:			
Assets	1,436,738	1,648,996	2,240,84
Due from other funds	-	-	88,39
Liabilities	1,261,275	1,454,061	2,005,09
Due to other funds	10,408	9,108	-
Fund balance	175,463	194,935	235,75
ENDOWMENT FUND:			
Assets	710,059	744,172	821,31
Due from other funds	-	1,971	4,79
Liabilities	47,174	8,987	146,92
Due to other funds	6,685	2,542	32,89
Fund balance	662,885	735,185	674,38
DEFERRED GIFT FUND:			
Assets	-	151,787	157,06
Due from other funds	-	-	-
Liabilities	-	151,787	4,76
Due to other funds	-	1,971	4,80
Fund balance	-	-	152,30
DEBT RETIREMENT FUNDS:			
Assets	522,091	533,951	644,26
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	522,091	533,951	644,26
Combined fund assets	$20,043,957	$21,488,771	$25,631,17
Combined fund liabilities	$ 9,097,998	$ 9,985,752	$13,144,53
Combined fund balances	$10,945,959	$11,503,019	$12,486,64

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF SUMMER 1970

PACIFIC LUTHERAN UNIVERSITY

Debtor	Current fund	Plant fund	Nursing student loan fund	Endowment fund	National defense student loan fund	Deferred Gift fund
Current fund	$ -	$ -	$9,156	$ -	$79,437	$ -
Plant fund	668,676	-	-	-	-	-
Nursing student loan fund	-	-	-	-	-	-
Endowment fund	32,882	15	-	-	-	-
National defense student loan fund	-	-	-	-	-	-
Deferred gift fund	10	216	-	4,796	-	-

School: St. Martin's College

Location: Olympia, Washington

Student Body size: 663 F.T.E.

Faculty size: 74 F.T.E.

Asset value: $6,350,678

Long-term indebtedness: $1,745,000

Financial controls

St. Martin's College budgets on an annual basis and reports consolidated profit and loss on a monthly basis. Currently, trial balances are only prepared annually. The college has no formal long-range budgets, although they are hopeful of preparing such budgets in the near future. Additionally, the college uses neither encumbrance accounting nor position control for personnel expenditures.

Current operating income

St. Martin's College is taking steps to correct the recent downward trend in its operating fund situation. A new business manager has been hired, and more stringent control has been placed on expenditures. In addition, an agressive endowment campaign is being planned for the coming year.

The college currently operates at a deficit. This is primarily caused by low enrollment which is inadequate to cover academic and auxiliary enterprise costs.

The college has recently embarked on a program for the commercial development of the unused land on the campus. This could prove to be a major source of income, because the undeveloped land is extensive and appears ideally suited for commercial development.

External indebtedness

Obligations of the plant fund comprise 80% of the college's external debt. $1,500,000 of the plant fund's debt of $1,750,000 is for auxiliary enterprises. The debt servicing requirements average $83,000 annually over the next six years, and account for only a small portion of the current fund operating deficit.

Combined fund balances

The combined fund balances for St. Martin's College for fiscal year 1970 are $4,034,213, with assets of $6,350,000 and liabilities of $2,316,000. This fund balance is the second lowest of all the colleges surveyed. Consequently, continued operating deficit will substantially degrade the financial stability of the college, although the Abbey does subsidize a portion ($100,000) of this deficit.

SCHEDULE I

CURRENT FUND PROFILE

ST. MARTIN'S COLLEGE

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
SOURCE OF FUNDS:	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Tuition and fees			$ 651,000			$ 672,016			$ 776,743			$ 800,000
Endowment income			-			-			-			-
Organized activities			-			-			-			-
Gifts - Church			100,000			100,000			100,000			100,000
Gifts - Other			102,714			123,378			185,421			158,000
Grants - Government			85,536			46,306			34,092			50,000
Grants - Other			-			-			-			-
Contributed services			-			-			-			-
Student aid			-			-			-			-
Auxiliary enterprises			400,317			425,459			405,459			425,000
Other sources			-			-			-			-
Total			1,339,567			1,367,159			1,501,715			1,533,000
APPLICATION OF FUNDS:												
General admin. and institut.			139,000			146,658			177,246			186,000
Instruction and dept. research			616,000			648,849			726,128			762,000
Libraries			25,000			26,739			33,223			35,000
Student services			-			-			-			-
Sponsored research and programs			-			-			-			-
Plant operation and maintenance			202,000			213,329			213,803			224,000
Subtotal			982,000			1,035,575			1,150,400			1,207,000
Student aid			-			-			-			-
Auxiliary enterprises			399,236			464,892			395,253			415,000
Student activities			-			-			-			-
Debt services			7,000			7,000			7,000			7,000
Total			1,388,236			1,507,467			1,552,653			1,629,000
Net revenues (expenses)			$ (48,669)			$ (140,308)			$ (50,938)			$ (96,000)

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
SOURCE OF FUNDS:	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Tuition and fees			$ 824,000			$ 849,000			$ 874,000			$ 900,000
Endowment income			-			-			-			-
Organized activities			-			-			-			-
Gifts - Church			100,000			100,000			100,000			100,000
Gifts - Other			166,000			174,000			183,000			192,000
Grants - Government			50,000			50,000			50,000			50,000
Grants - Other			-			-			-			-
Contributed services			-			-			-			-
Student aid			-			-			-			-
Auxiliary enterprises			447,000			468,000			492,000			517,000
Other sources			-			-			-			-
Total			1,587,000			1,641,000			1,699,000			1,759,000
APPLICATION OF FUNDS:												
General admin. and institut.			195,000			205,000			215,000			226,000
Instruction and dept. research			800,000			840,000			882,000			926,000
Libraries			37,000			39,000			41,000			43,000
Student services			-			-			-			-
Sponsored research and programs			-			-			-			-
Plant operation and maintenance			235,000			247,000			259,000			272,000
Subtotal			1,267,000			1,331,000			1,397,000			1,467,000
Student aid			-			-			-			-
Auxiliary enterprises			436,000			457,000			480,000			504,000
Student activities			-			-			-			-
Debt services			7,000			13,000			13,000			13,000
Total			1,710,000			1,801,000			1,890,000			1,984,000
Net revenues (expenses)			$ (123,000)			$ (160,000)			$ (191,000)			$ (225,000)

SCHEDULE II

AUXILIARY ENTERPRISES

ST. MARTIN'S COLLEGE

	Year ended June 2, 1968	Year ended June 1, 1969	Year ended June 1, 1970
RECEIPTS:			
College dining	$157,419	$174,709	$171,975
College residence	94,906	99,269	100,212
Book store	70,560	84,304	79,850
College student union	9,378	7,216	1,515
Capitol pavilion	14,927	14,351	20,728
Other auxiliary enterprises	8,127	1,277	395
Faculty residence	45,000	44,333	30,784
	400,317	425,459	405,459
EXPENDITURES:[1]			
Dining system	160,000	182,438	147,936
Book store	68,751	89,852	72,274
Capitol pavilion	29,932	39,579	40,443
College residence (and faculty)	42,072	59,870	48,073
Student union	19,336	13,699	8,394
Other	2,145	3,454	3,133
Debt service	77,000	76,000	75,000
	399,236	464,892	395,253
Excess receipts (expenditures)	$ 1,081	$(39,433	$ 10,206

1 Expenditures include debt servicing for auxiliary enterprises fixed assets.

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

ST. MARTIN'S COLLEGE

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 125,459	$ 172,806	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000
Notes payable	50,000	210,000	200,000	200,000	200,000	200,000	200,000	200,000
	175,459	382,806	380,000	380,000	380,000	380,000	380,000	380,000
Total current fund debt								
As % of current op. expense	17.8%	36.9%	33.0%	25.0%	23.8%	22.7%	21.6%	20.6%
As % of liquid assets		118.5%						
PLANT FUND:								
Bond payable - auxiliary enterprises	1,565,000	1,531,000	1,495,000	1,460,000	1,425,000	1,390,000	1,355,000	1,320,000
Bond payable - Non-auxiliary	250,000	250,000	250,000	250,000	250,000	244,000	238,000	232,000
Total plant fund debt	1,815,000	1,781,000	1,745,000	1,710,000	1,675,000	1,634,000	1,593,000	1,552,000
As % of total plant assets	39.1%	35.4%	34.7%					
Total indebtedness	$1,990,459	$2,163,806	$2,125,000	$2,090,000	$2,055,000	$2,014,000	$1,973,000	$1,932,000
As % of total fund balances	59.6%	55.9%	52.6%					

SCHEDULE IV

FUND BALANCES

ST. MARTIN'S COLLEGE

	1968	1969	1970
CURRENT FUNDS:			
Assets	$ 218,203	$ 220,600	$ 171,134
Due from other funds	-	-	-
Liabilities	809,825	719,459	720,030
Due to other funds	115,248	282,932	322,738
Fund balance	(591,622)	(498,859)	(548,896)
PLANT FUND:			
Assets	4,638,404	5,024,647	5,019,811
Due from other funds	18,104	13,102	-
Liabilities	1,887,732	1,784,537	1,688,486
Due to other funds	-	-	4,646
Balance	2,750,672	3,240,110	3,330,325
SPECIAL FUND:			
Assets	1,215,644	1,215,553	1,160,733
Due from other funds	97,144	-	92,051
Liabilities	36,816	89,021	(92,051)
Due to other funds	-	40,602	-
Balance	1,178,828	1,126,534	1,252,784
COMBINED FUND BALANCES - Assets	$6,072,251	$6,460,802	$6,350,678
- Liabilities	$2,734,373	$2,593,017	$2,316,443
- Balances	$3,337,878	$3,867,785	$4,034,235

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF SUMMER 1970

ST. MARTIN'S COLLEGE

Debtor	Current fund	Plant fund	Loan fund	Endowment fund	Scholarship fund	St.Martin's Abbey
Current fund	-	-	-	-	-	$233,650
Plant fund	34,647	-	-	-	-	-
Loan fund	-	-	-	-	-	-
Endowment fund	-	-	-	-	-	-
Special scholarship fund	-	-	-	-	-	-

School:	Seattle Pacific College
Location:	Seattle, Washington
Student body size:	1,767 F.T.E.
Faculty size:	124 F.T.E.
Asset value:	$16,964,292
Long-term indebtedness:	$7,268,698

Financial controls

Seattle Pacific College prepares a detailed annual budget. This budget is currently not time phased by month. Year-to-date actuals are presently compared against the annual budget figures. The books are prepared on a modified accrual basis, but encumbrance accounting is not utilized. Cash flow projections, balance sheets, and income statements have not been prepared on a regular basis. In addition, subsidiary records are not currently reconciled to the general ledger. The college is currently taking steps to rectify this situation.

The administration is presently taking steps to correct the unfavorable current operating results. The accounting function is being reorganized, a higher student/faculty ratio is being planned, and a more active endowment program is being pursued. It appears that most of the problems facing Seattle Pacific College are the result of overly optimistic student revenue projections and poor overall financial management in prior years.

Current operating fund

The current operating fund is presently running a deficit and is projected to continue to do so until 1973. The deficit will average $183,000 annually over that period, declining from a 1970 high of about $391,000. This operating deficit is caused in part by declining student enrollment which has offset most of the tuition increases over the last few years.

The administration believes a lessening in demand for new teachers and competition from state supported schools have been the main causes for decreasing enrollment. They believe the saturation of the teaching profession may require a change in curriculum emphasis at Seattle Pacific College.

External indebtedness consists primarily of obligations of the plant fund with the exception of a $660,000 long-term note in the current fund which appears to be funding the current operating deficit. The obligation of the plant fund are $1,300,000 for auxiliary enterprises and $2,600,000 for other long-term debt.

The debt service requirements average approximately $330,000 annually over the next five years. The auxiliary enterprises, taken separately, will generate operating surplus sufficient to meet their debt obligations as scheduled.

Seattle Pacific College projects that the $460,000 long-term debt of the current fund will decrease to $225,000 by 1975. This projection may be optimistic considering the projected operating deficit in the current fund, which will occur unless strict budgetary control is implemented and improved student revenues realized.

Combined fund balances

The combined fund balances as of year end 1970, adjusted for current values of physical plant and endowments, is $6,750,000 with assets of $14,960,000 and liabilities of $8,200,000.

SCHEDULE I

CURRENT FUND PROFILE

SEATTLE PACIFIC COLLEGE

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees			$2,093,150			$2,116,000			$2,350,000			$2,673,000
Endowment income			12,230			12,000			8,000			12,000
Organized activities			40,019			42,000			44,000			46,300
Gifts - Church			-			-			-			-
Gifts - Other	$98,000	$218,753	316,753	$12,000	$355,000	367,000	$17,000	$390,000	407,000	$20,000	$400,000	420,000
Grants - Government			-			-			-			-
Grants - Other			-			-			-			-
Contributed services			-			-			-			-
Student aid			19,209			6,000			5,000			13,000
Auxiliary enterprises			1,207,287			1,191,000			1,250,000			1,261,000
Other sources			87,823			113,000			247,000			247,000
Total			3,776,467			3,845,000			4,311,000			4,672,300
APPLICATION OF FUNDS:												
General admin. and institut.			685,174			746,000			800,000			840,000
Instruction and dept. research			1,069,716			1,207,000			1,270,000			1,333,000
Libraries			85,929			73,000			91,000			96,000
Student services			237,567			249,445			233,920			246,000
Sponsored research and programs			-			-			-			-
Plant operation and maintenance			235,551			236,000			269,000			282,000
Subtotal			2,313,937			2,561,445			2,663,920			2,797,000
Student aid			244,340			342,000			292,000			300,000
Auxiliary enterprises			901,062			955,000			1,134,000			1,171,000
Student activities			158,897			166,800			157,000			165,000
Debt services			134,013			165,000			455,000			502,000
Total			3,752,249			4,190,245			4,701,920			4,935,000
Net revenues (expenses)			$ 24,218			$ (345,245)			$ (390,920)			$ (262,700)

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees			$2,806,650			$2,946,983			$3,094,332			$3,249,049
Endowment income			20,000			20,000			25,000			30,000
Organized activities			48,600			51,000			53,600			56,300
Gifts - Church			-			-			-			-
Gifts - Other			441,000			463,000			486,000			510,400
Grants - Government			-			-			-			-
Grants - Other			-			-			-			-
Contributed services			13,600			14,300			15,000			15,800
Student aid			1,270,000			1,275,000			1,280,000			1,295,000
Auxiliary enterprises			247,000			247,000			247,000			247,000
Other sources			4,846,850			5,017,283			5,201,032			5,393,549
Total												
APPLICATION OF FUNDS:												
General admin. and institut.			882,000			926,000			972,000			1,021,000
Instruction and dept. research			1,400,000			1,470,000			1,543,000			1,620,000
Libraries			101,000			106,000			111,000			117,000
Student services			258,000			271,000			285,000			299,000
Sponsored research and programs			-			-			-			-
Plant operation and maintenance			296,000			311,000			327,000			343,000
Subtotal			2,937,000			3,084,000			3,238,000			3,400,000
Student aid			315,000			330,800			347,300			364,700
Auxiliary enterprises			1,211,000			1,252,000			1,259,000			1,341,000
Student activities			173,000			182,000			191,000			201,000
Debt services			325,000			302,000			235,000			235,000
Total			4,961,000			5,150,800			5,270,300			5,541,700
Net revenues (expenses)			$ (114,150)			$ (133,517)			$ (69,268)			$ (148,151)

SCHEDULE II

AUXILIARY ENTERPRISES

SEATTLE PACIFIC COLLEGE

	Year ended June 30, 1968	1969	1970
RECEIPTS:*			
Housing	$ 460,065	$ 447,500	$ 450,000
Cafeteria	522,254	572,250	580,000
Coffee shop	49,732		
Bookstore	166,162	171,250	220,000
Parking lot and service station	9,074		
	1,207,287	1,191,000	1,250,000
EXPENDITURES:*			
Housing	212,056	220,000	215,000
Cafeteria	347,944	356,000	323,000
Coffee shop	54,449	55,000	55,000
Bookstore	142,616	145,000	140,000
Parking lot and service station	13,997	14,000	15,000
Debt service	130,000	165,000	386,000
	901,062	955,000	1,134,000
Excess receipts (expenditures)	$ 306,225	$ 236,000	$ 116,000

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

SEATTLE PACIFIC COLLEGE

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 213,197	$ 245,000	$ 142,360	$ 150,000	$ 130,000	$ 110,000	$ 90,000	$ 80,000
Notes payable	365,000	385,000	460,623	400,000	325,000	300,000	275,000	225,000
Prepaid tuition and fees	54,420	147,542	117,163	120,000	120,000	120,000	120,000	130,000
Room and housing deposits	31,782	33,855	36,048	35,000	35,000	35,000	35,000	35,000
Bank overdraft	151,854	-	-	-	-	-	-	-
Taxes payable	29,745	37,615	55,249	50,000	50,000	40,000	40,000	35,000
Other payables	6,445	7,191	9,337	10,000	9,000	8,000	8,000	8,000
Accounts payable (current restricted)	6,657	9,216	14,578	15,000	13,000	11,000	9,000	8,000
Total current fund debt	859,100	865,419	835,388	780,000	682,000	624,000	577,000	521,000
As % of current op. expense	37%	34%	31%	25%	21%	18%	16%	14%
As % of liquid assets	470%							
PLANT FUND:								
Accounts payable	56,581	61,025	59,477	58,400	59,000	60,000	60,000	61,000
Notes payable	405,718	498,426	590,078	590,000	500,000	350,000	300,000	250,000
Real estate contracts	433,659	319,056	285,658	212,400	200,000	200,000	150,000	100,000
SPC loan bonds	292,195	269,145	256,123	240,000	200,000	150,000	125,000	100,000
Bonds payable - Non aux.	485,000	454,698	326,214	276,200	250,000	200,000	150,000	125,000
Subtotal - Non aux.	1,673,153	1,602,350	1,567,550	1,377,000	1,209,000	960,000	785,000	636,000
Bonds payable - Aux. enter.	5,144,000	5,121,169	5,100,000	5,000,000	4,943,000	4,918,000	4,818,000	4,718,000
Total plant fund debt	6,817,153	6,723,519	6,667,550	6,377,000	6,152,000	5,878,000	5,603,000	5,354,000
As % of total plant assets	59%		52%					
OTHER FUNDS:	-	-	-	-	-	-	-	-
Total indebtedness	$7,676,253	$7,588,938	$7,502,938	$7,157,000	$6,834,000	$6,502,000	$6,180,000	$5,875,000
As % of total fund balances	158%		107%					

SCHEDULE IV

FUND BALANCES

SEATTLE PACIFIC COLLEGE

	1968	1969	1970
CURRENT FUNDS:			
Assets	$ 235,291		$ 482,554
Due from other funds	-		-
Liabilities	852,443		765,509
Due to other funds	-		-
Fund balance -	(617,152)		(282,955)
PLANT FUND:			
Assets	11,513,858		12,608,852
Due from other funds	-		-
Liabilities	6,817,153		7,303,821
Due to other funds	-		-
Balance	4,696,705		5,305,031
LOAN FUND:			
Assets	11,418		1,501,477
Due from other funds	-		-
Liabilities	-		(29,955)
Due to other funds	-		-
Fund balance	11,418		1,531,432
ENDOWMENT FUND:			
Assets	508,950		1,950
Due from other funds	-		-
Liabilities	-		-
Due to other funds	-		-
Fund balance	508,950		1,950
CURRENT RESTRICTED FUND:			
Assets	133,933		243,857
Due from other funds	-		-
Liabilities	6,657		173,205
Due to other funds	-		-
Fund balance	127,276		70,652
ANNUITY FUNDS:			
Assets	123,558		125,602
Due from other funds	-		-
Liabilities	-		-
Due to other funds	-		-
Fund balance	123,558		125,602
ASSETS	$12,527,008		$14,964,292
LIABILITIES	$ 7,676,253		$ 8,212,580
FUND BALANCE	$ 4,850,755		$ 6,751,712

School: Seattle University

Location: Seattle, Washington

Student Body size: 3,103 F.T.E.

Faculty size: 200 F.T.E.

Asset value: $32,871,593

Long-term indebtedness: $11,740,000

Financial controls

Seattle University prepares a financial forecast for five years and an annual detailed budget. The annual budget is not time phased by month; however, current year actuals are compared to prior year actuals on a quarterly basis. A cash flow projection is prepared on a monthly basis. The books are maintained on a modified accrual basis with a balance sheet prepared annually and income statements prepared quarterly. Subsidiary records are reconciled to the general ledger on a quarterly basis; however, encumbrance accounting is not utilized.

Current operating fund

The current operating fund is presently running a sizeable deficit and this deficit is projected to average over $700,000 annually through 1975. This deficit is caused primarily by excessive debt servicing requirements on long-term obligations, a continuing loss in auxiliary enterprises, and a decline in enrollment.

Seattle University is burdened with large debt service requirements primarily for auxiliary enterprises. These facilities were constructed several years ago in expectation that rapid rise in enrollment of the early 1960's would continue. The failure of this growth to materialize has resulted in expenses in physical plant which are not matched by student tuition and fees or auxiliary enterprise revenue.

The administration of the college has expanded its fund raising and plans further increases in tuition and fees to help meet their debt service requirements. However, it may not be unlikely that financial aid in the form of gifts and endowments will be received in sufficient quantity to substantially decrease this deficit.

External indebtedness

The majority of the University's indebtedness is in obligation of the Plant Fund and long-term obligations of the Current Fund. Current Fund obligations of $2,679,000 were used to finance past current fund indebtedness. Plant Fund obligations as of summer 1970 totaled $11,740,000; $7,740,000 of which was for auxiliary enterprises. Recent additions to the Plant Fund included a physical education building for $3,300,000 in 1968-1969.

With both the auxiliary and non-auxiliary enterprises operating at a deficit, it appears likely that Plant Fund and Current Fund indebtedness will continue to increase. This indebtedness will be incurred without simultaneous increase in assets, thus reducing the University's fund balances.

Combined fund balances

The combined fund balances of Seattle University exceed $12,000,000. However, even this large balance will be rapidly diminished if the current operating deficits continue.

SCHEDULE I

CURRENT FUND PROFILE

SEATTLE UNIVERSITY

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees	$ -	$3,719,686	$3,719,686	$ -	$3,910,415	$3,910,415	$ -	$3,929,423	$3,929,423	$ -	$4,165,000	$ 4,165,000
Endowment income		37,676	37,676		29,500	29,500		31,308	31,308		30,000	30,000
Organized activities		109,922	109,922		139,841	139,841		159,141	159,141		140,000	140,000
Gifts - Church		3,168	3,168		34,080	34,080		50,979	50,979			
Gifts - Other	58,676	243,535	302,211	68,567	362,182	430,749	41,759	711,763	753,522	70,000	280,000	350,000
Grants - Government												
Grants - Other		321,314	321,314		308,619	308,619		335,917	335,917		381,000	381,000
Contributed services												
Student aid		1,651,842	1,651,842		1,501,708	1,501,708		1,326,135	1,326,135		1,483,000	1,483,000
Auxiliary enterprises		118,015	118,015		206,537	206,537		333,886	333,886		400,000	400,000
Other sources		466,692	466,692		446,539	446,539		468,282	468,282		450,000	450,000
Sponsored research and sources												
Total	58,676	6,671,850	6,730,526	68,567	6,939,421	7,007,988	41,759	7,346,834	7,388,593	70,000	7,329,000	7,399,000
APPLICATION OF FUNDS:												
General admin. and institut.			1,122,954			1,310,149			1,536,676			1,544,000
Instruction and dept. research			2,386,535			2,535,855			2,659,528			2,761,000
Libraries			174,378			177,621			177,804			190,000
Student services			201,317			217,860			292,318			240,000
Sponsored research and programs			423,463			392,410			403,922			400,000
Plant operation and maintenance			330,469			431,368			499,991			462,000
Subtotal			4,639,116			5,065,263			5,570,239			5,597,000
Student aid			305,993			548,765			667,970			530,000
Auxiliary enterprises			1,736,695			1,693,453			1,651,934			1,777,000
Student activities			170,151			172,391			181,000			170,000
Debt services			476,281			201,286			697,989			407,000
Total			7,328,236			7,681,158			8,769,132			8,481,000
Net revenues (expenses)			$ (597,710)			$ (673,170)			$(1,380,539)			$(1,082,000)

SEATTLE UNIVERSITY - CURRENT FUND PROFILE - SCHEDULE I - cont'd.

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees			$ 4,498,000			$4,858,000			$5,247,000			$5,667,000
Endowment income			30,000			30,000			30,000			30,000
Organized activities			140,000			140,000			140,000			140,000
Gifts - Church												
Gifts - Other			350,000			350,000			350,000			350,000
Grants - Government												
Grants - Other												
Contributed services			390,000			390,000			400,000			400,000
Student aid												
Auxiliary enterprises			1,500,000			1,500,000			1,500,000			1,500,000
Other sources			400,000			400,000			400,000			400,000
Sponsored research and sources			450,000			450,000			450,000			450,000
Total			7,758,000			8,118,000			8,517,000			8,937,000
APPLICATION OF FUNDS:												
General admin. and institut.			1,621,000			1,702,000			1,787,000			1,876,000
Instruction and dept. research			2,899,000			3,044,000			3,196,000			3,356,000
Libraries			200,000			210,000			221,000			232,000
Student services			252,000			265,000			278,000			292,000
Sponsored research and programs			400,000			400,000			400,000			400,000
Plant operation and maintenance			485,000			509,000			534,000			561,000
Subtotal			5,857,000			6,130,000			6,416,000			6,717,000
Student aid			600,000			600,000			600,000			600,000
Auxiliary enterprises			1,800,000			1,800,000			1,800,000			1,800,000
Student activities			179,000			188,000			198,000			208,000
Debt services			387,000			367,000			347,000			328,000
Total			8,823,000			9,085,000			9,361,000			9,653,000
Net revenues (expenses)			$(1,065,000)			$ (967,000)			$ (844,000)			$ (716,000)

SCHEDULE II

AUXILIARY ENTERPRISES

SEATTLE UNIVERSITY

	Year ended June 30, 1968	1969	1970
RECEIPTS:			
Dormitories and dining hall	$1,254,979	$1,137,775	$ 972,854
Bookstore	364,758	363,933	353,281
School paper	32,105	-	-
	1,651,842	1,501,708	1,326,135
EXPENDITURES:			
Dormitories and dining hall	858,319	830,147	781,990
Bookstore	315,675	320,683	329,944
School paper	32,358	-	-
Debt servicing	530,343	542,623	540,000
	1,736,695	1,693,453	1,651,934
Excess receipts (expenditures)	$ (84,853)	$ (191,745)	$ (325,799)

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

SEATTLE UNIVERSITY

	Actual years ending summer			Fiscal years ending summer				
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ 113,376	$ 140,67	$ 229,000	$ 245,000	$ 262,000	$ 280,000	$ 299,000	$ 439,000
Notes and contracts payable(1)(3)	1,704,686	2,152,77	2,[illegible]	2,756,000	2,781,000	2,647,000	2,596,000	2,542,000
Deferred tuition and fees	214,870	288,84	340,000	369,000	398,000	430,000	464,000	501,000
Scholarships	57,219	57,75	58,000	60,000	60,000	60,000	60,000	60,000
Deferred research income	130,543	76,13	75,000	75,000	75,000	75,000	75,000	75,000
Taxes and other	63,783	54,36	176,000	60,000	60,000	60,000	60,000	60,000
Federal government			130,000	150,000	150,000	150,000	150,000	150,000
Total current fund debt	2,324,517	2,768,53	3,020,000	3,815,000	3,886,000	3,802,000	3,802,000	3,827,000
As % of current op. expense	50.0%	56.6	70.2%	68.2%	63.8%	62.8%	59.2%	56.7%
As % of liquid assets	231.6%	292.6	1,281.6%					
PLANT FUND:								
Mortgage bonds payable	8,215,000	7,820,00	7,760,000	7,680,000	7,200,000	6,920,000	6,640,000	6,360,000
Notes, contracts, and bonds payable assumed payable	2,020,669 479	6,823,50 3,44						
Non-mortgage	2,820,108	4,624,50	3,860,000	3,600,000	3,020,000	3,660,000	3,260,000	3,180,000
Total plant fund debt	11,666,108	12,648,00	11,740,000	11,280,000	10,820,000	10,260,000	9,900,000	9,440,000
As % of total plant assets	48.5%	47.3	43.2%					
OTHER FUNDS:								
Accounts payable (exp. fund)	111,270	96,55	100,000	100,000	100,000	100,000	100,000	100,000
Notes and contracts payable (exp. fund)	4,276	2,02						
Notes and contracts payable (loan fund)(2)	1,182,843	2,020,70	2,610,000	2,560,000	2,660,000	2,702,000	2,824,000	2,940,000
Taxes and other	40,223	28,11	24,000	24,000	24,000	24,000	24,000	24,000
Total other funds	1,338,348	2,147,33	2,734,000	2,684,000	2,784,000	2,826,000	2,948,000	3,064,000
Total indebtedness	315,329,363	317,423,46	318,494,000	317,769,000	317,387,000	317,407,000	318,098,000	318,363,000
As % of total fund balances	138.9%	69.9%	53.0%					

(1) Based on fund drive to maintain no budget deficit.
(2) Student loans.
(3) Long-term obligations of the current fund.

SCHEDULE IV

FUND BALANCES

SEATTLE UNIVERSITY

	1968	1969	1970
CURRENT FUNDS:			
Assets	$ 1,387,180	$ 1,872,089	$ 2,246,449
Due from other funds	1,062,295	1,204,117	1,324,718
Liabilities	2,612,992	2,370,320	4,421,573
Due to other funds	288,675	601,782	611,744
Fund balance	(1,025,812)	(1,498,311)	(2,173,166)
PLANT FUND:			
Assets	23,542,330	26,054,883	26,086,083
Due from other funds	302,876	302,876	302,616
Liabilities	11,666,108	12,448,989	11,740,244
Due to other funds	-	-	18,000
Fund balance	11,876,222	13,605,896	14,263,735
LOAN FUND:			
Assets	2,082,431	2,379,148	2,643,193
Due from other funds	9,764	2,082	2,132
Liabilities	2,062,242	2,595,791	2,881,501
Due to other funds	234,336	286,086	270,774
Fund balance	19,189	(216,643)	(238,308)
ENDOWMENT FUND:			
Assets	1,217,566	1,118,541	1,171,633
Due from other funds	108,759	460,083	387,921
Liabilities	118,761	382	2,107
Due to other funds	118,761	382	2,107
Fund balance	1,098,805	1,117,958	1,168,526
AUXILIARY FUND:			
Assets	245,944	218,936	181,725
Due from other funds	4,611	8,042	23,263
Liabilities	884,070	1,062,952	1,353,868
Due to other funds	730,254	937,444	1,233,067
Fund balance	(638,126)	(843,996)	(1,174,143)
AGENCY FUNDS:			
Assets	83,521	28,693	-
Due from other funds	83,521	28,693	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	83,521	28,693	-
COMBINED FUNDS - Assets	$28,758,992	$31,672,232	$32,250,963
- Liabilities	$17,345,193	$19,476,633	$20,402,299
- Balances	$11,413,799	$12,193,597	$11,848,664

SCHEDULE V

INTERFUND TRANSFER BALANCES AS OF JUNE 30, 1970

SEATTLE UNIVERSITY

Debtor	Current Fund	Plant Fund	Loan Fund	Endowment Fund	Scholarship Fund	Auxiliary Funds*
Current Fund	-	$100,619	-	$646,619	-	-
Plant Fund	-	-	-	10,000	-	-
Loan Fund	$266,643	-	-	-	-	-
Endowment Fund	-	-	-	-	-	-
Scholarship Fund	-	-	-	-	-	-
Auxiliary Funds	$1,231,905	-	-	-	-	-

School:	University of Puget Sound
Location:	Tacoma, Washington
Student body size:	2,336 F.T.E.
Faculty size:	130 F.T.E.
Asset value:	$32,196,340
Long-term indebtedness:	$6,915,000

Financial controls

The University of Puget Sound prepares a detailed annual budget. This budget is not time phased by month and only controls of the year-to-date actuals are compared to budgeted figures. Its five-year budget is prepared, but are each five projections made on a formal basis.

The books are prepared on a modified accrual basis with balance sheets for all funds and an income statement for the current fund prepared monthly. Encumbrance accounting is not utilized.

The University of Puget Sound appears to be a well managed and relatively efficient operation relying on good management and a moderately sized endowment fund to sustain a break-even operation. Projections on the current fund operations herein presented are based on a certain extent on budgeted figures for 1971, which appear to be fairly conservative. The school has a break-even policy on current operations, and therefore has experienced minor swings in income and expenditures that are contained within this projection.

Current operating fund

The University ran a deficit in fiscal year 1969 of $300,000 but was able, through substantial increases in enrollment, to run a surplus of $130,000 in fiscal year 1970. The enclosed current operating fund projections indicate that a little less than break-even operation will continue through 1973.

Enrollment increases from 2,269 in 1969 to 2,336 in 1970, which with relatively high tuition and fees ($2,800 annually) resulted in substantial increased revenue. In addition, the University maintains a moderate sized endowment program which assets in excess of $6,000,000 and revenues projected to average $270,000 annually through 1972.

External indebtedness

The University's external indebtedness is primarily obligations of the Plant Fund with $3,200,000 assignable to auxiliary enterprises and $1,700,000 to other activities. The debt servicing requirement for these obligations averages $310,000 annually through 1975.

Combined fund balance

The combined fund balance for fiscal 1970 was $27,740,000 with assets of $33,200,000 and liabilities of $5,450,000.

[illegible]

[illegible]

[illegible]

	Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Sources of funds:									
[illegible]			$5,[illegible]			$4,065,000			$4,500,000
[illegible]			[illegible]			150,000			223,000
[illegible]			[illegible]			150,000			150,000
[illegible]			[illegible]			53,000			64,000
[illegible]	$50,000	$[illegible]	[illegible]		$[illegible]	79,000			83,000
[illegible]			-			-			-
[illegible]			-			-			-
[illegible]			-			-			-
[illegible]			-			-			-
[illegible]			-			-			-
[illegible]		$[illegible]	[illegible]			1,610,000			1,747,000
[illegible]	$2,000	[illegible]	[illegible]		$37,000	40,000			60,000
Total		$[illegible]	[illegible]			6,155,000			6,807,000
Applications of funds:									
[illegible]		[illegible]	[illegible]			817,000			939,000
[illegible]		$[illegible]	[illegible]			1,972,000			2,603,000
[illegible]		[illegible]	[illegible]			206,000			262,000
[illegible]		-	-			-			-
[illegible]		-	-			-			-
[illegible]		[illegible]	[illegible]			443,000			555,000
[illegible]		$[illegible]	[illegible]			3,498,000			4,379,000
[illegible]		[illegible]	[illegible]			362,000			384,000
[illegible]		$[illegible]	[illegible]			1,716,000			1,788,000
[illegible]		[illegible]	[illegible]			239,000			251,000
[illegible]		[illegible]	[illegible]			167,000			157,000
Total		$[illegible]	[illegible]			5,947,000			6,959,000
Net increase (decrease)		$ [illegible]	$ [illegible]			$ 208,000			$ (152,000)

[illegible] - [illegible] - [illegible] - [illegible].

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
Sources of funds:												
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		$5,209,000				$5,469,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		297,000				326,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		150,000				150,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		74,000				78,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		96,000				101,000
[illegible]		-	-		-	-		-				-
[illegible]		-	-		-	-		-				-
[illegible]		-	-		-	-		-				-
[illegible]		-	-		-	-		-				-
[illegible]		-	-		-	-		-				-
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		2,201,000				2,377,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		40,000				40,000
Total		$[illegible]	[illegible]		$[illegible]	[illegible]		8,067,000				8,541,000
Applications of funds:												
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		1,110,000				1,166,000
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		3,014,000				3,165,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		303,000				318,000
[illegible]		-	-		-	-		-				-
[illegible]		-	-		-	-		-				-
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		643,000				675,000
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		5,070,000				5,324,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		444,000				466,000
[illegible]		$[illegible]	[illegible]		$[illegible]	[illegible]		2,158,000				2,296,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		290,000				305,000
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		154,000				151,000
Total		$[illegible]	[illegible]		$[illegible]	[illegible]		8,116,000				8,542,000
Net increase (decrease)		$ [illegible]	$ [illegible]		$ [illegible]	$ [illegible]		$ (49,000)				$ (1,000)

SCHEDULE II

AUXILIARY ENTERPRISES

UNIVERSITY OF PUGET SOUND

	Year ended		
	1968	1969	1970
RECEIPTS:			
Residence halls	$ 400,899	$ 419,677	$ 466,000
Food service	646,028	654,616	728,000
Book store	284,649	270,902	315,000
Field house	41,692	47,866	63,000
Print shop	33,243	47,877	46,000
	1,406,511	1,440,938	1,618,000
EXPENDITURES:[1]			
Residence halls	281,020	347,950	380,000
Food service	630,455	645,019	693,000
Book store	247,482	243,004	324,000
Field house	41,112	49,495	69,000
Print shop	33,839	44,461	46,000
Debt services (incl. interest)	144,652	147,106	204,000
	1,378,560	1,477,035	1,716,000
Excess receipts (expenditures)	$ 27,951	$ (38,097)	$ (98,000)

1 Expenditures include debt servicing for auxiliar enterprises fixed assets.

EXHIBIT III

SUMMARY OF EXTERNAL INDEBTEDNESS

UNIVERSITY OF PUGET SOUND

	Fiscal years ending summer							
	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Notes payable	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Deferred income	145,819	249,199	250,000	250,000	250,000	250,000	250,000	250,000
Other liabilities	1,693	1,571	2,000	2,000	2,000	2,000	2,000	2,000
Total current fund debt	147,512	300,770	302,000	302,000	302,000	302,000	302,000	302,000
As % of current op. expenses	5.2%	9.3%	8.7%	6.9%	6.3%	7.6%	6.0%	5.7%
As % of liquid assets	26.1%	78.1%	48.1%					
PLANT FUND:								
Auxiliary enterprise - bonds payable	3,250,000	3,300,000	3,195,000	3,120,000	3,033,000	2,945,000	2,856,000	2,766,000
Non-auxiliary bonds payable	1,545,000	1,490,000	1,445,000	1,407,000	1,367,000	1,326,000	1,283,000	1,239,000
Notes payable (Lutheran Plumas Corp.)	360,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Total plant fund debt	5,255,000	5,065,000	4,915,000	4,802,000	4,675,000	4,546,000	4,414,000	4,280,000
As % of total plant assets	33.3%	46.6%						
OTHER FUNDS:								
Total other funds	-	-	-	-	-	-	-	-
TOTAL INDEBTEDNESS	$5,402,512	$5,365,770	$5,217,000	$5,104,000	$4,977,000	$4,848,000	$4,716,000	$4,582,000
As % of total fund balances	12.5%	12.2%						

SCHEDULE IV

FUND BALANCES

UNIVERSITY OF PUGET SOUND

	1968	1969	1970
CURRENT FUNDS (unrestricted):			
Assets	$ 491,207	$ 222,609	$ 804,219
Due from other funds	120,536	39,642	296,259
Liabilities	147,513	300,771	3,004
Due to other funds	-	-	-
Fund balance	343,694	(78,162)	801,215
CURRENT FUNDS (restricted):			
Assets	250,668	173,156	84,282
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	250,668	173,156	84,282
PLANT FUND:			
Assets	15,779,328	15,925,971	16,500,813
Due from other funds	-	-	-
Liabilities	5,255,000	5,065,000	5,265,000
Due to other funds	20,000		285,000
Fund balance	10,524,328	10,860,971	11,235,813
LOAN FUND:			
Assets	1,644,192	1,831,249	2,510,026
Due from other funds	-	-	-
Liabilities	100,536	39,642	-
Due to other funds	100,536	39,642	-
Fund balance	1,543,656	1,791,607	2,510,026
ENDOWMENT FUND:			
Assets	5,543,103	5,678,865	6,078,632
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	5,543,103	5,678,865	6,078,632
ANNUITY FUND:			
Assets	783,392	770,636	607,396
Due from other funds	-	-	-
Liabilities	-	-	(139,624)
Due to other funds	-	-	-
Fund balance	783,392	770,636	747,220

SCHEDULE IV (continued)

	1968	1969	1970
AGENCY FUND:			
Assets	$ 8,336	$ 20,877	$ 12,143
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	8,336	20,877	12,143
COMBINED FUND-Assets	$24,500,426	$24,623,363	$26,597,709
Liabilities	$ 5,503,049	$ 5,405,413	$ 5,128,378
Balances	$18,997,377	$19,217,950	$21,469,331

SCHEDULE V

INTERFUND TRANSFER BALANCES AS OF SUMMER 1970

UNIVERSITY OF PUGET SOUND

Debtor	Current fund	Plant fund	Loan fund	Endowment fund	Scholarship fund
Current fund	-	-	-	-	-
Plant fund	$285,000	-	-	-	-
Loan fund	11,259	-	-	-	-
Endowment fund	-	-	-	-	-
Scholarship fund	-	-	-	-	-

School: Walla Walla College

Location: Walla Walla, Washington

Student Body size: 1,662 F.T.E.

Faculty size: 91 F.T.E.

Asset value: $14,744,275

Long-term indebtedness: $917,385

Financial controls

Walla Walla prepares an annual budget and monthly balance sheets and income statements. The annual budget is not time phased by month; however, current year actuals are compared to last year actual figures. The books are prepared on an accrual basis and subsidiary records are reconciled to the balance sheet on a monthly basis. A five-year budget is not prepared, nor is encumbrance accounting or fund accounting utilized. The school appears to have good control over its financial affairs.

Current operating fund

Walla Walla is presently operating at a surplus in current operations and will continue to do so through 1973. The projections indicate that this surplus could average as high as $1 million a year, and if this is realized, the school will accelerate its expansion plans. The favorable operating conditions are due primarily to large church subsidies ($230,000 in 1970). Low debt servicing requirements, and the lowest FTE student cost of all the colleges studied.

External indebtedness

The external indebtedness of Walla Walla College is comprised primarily of Dan Fund obligations totaling $917,000. $630,000 of this figure is an obligation of the auxiliary enterprises. Debt servicing requirements will average $230,000 over the next 5 years with the majority of that being obligations of the auxiliary enterprises. The college is generating ample revenues and is current retirement of indebtedness as scheduled.

Combined fund balances

The combined fund balances are in excess of $13,000,000 and are quite substantial considering only $14,700,000 in assets.

SCHEDULE II

AUXILIARY ENTERPRISES

WALLA WALLA COLLEGE

	Year ended June 30, 1968	1969	1970 [2]
RECEIPTS:			
Bindery	$ 241,204	$ 237,398	$ 304,661
Cleaners	32,123	31,885	35,839
Dairy	180,786	189,411	520,226
Farm	157,287	196,377	219,600
Laundry	253,571	279,675	297,453
Printing	207,181	221,823	359,926
Store	39,490	48,744	188,529
Cafeteria	158,443	161,571	354,444
Health center	28,501	27,316	28,844
Homes	261,654	260,881	343,825
Plant service	184,065	202,450	257,655
Service station rental	2,971	2,710	2,427
Miscellaneous rental	10,164	9,937	9,831
	$1,757,440	$1,870,178	$2,923,260
EXPENDITURES:[1]			
Bindery	229,571	242,010	290,953
Cleaners	31,075	29,915	34,501
Dairy	166,627	183,336	523,582
Farm	159,100	194,823	203,351
Laundry	244,207	279,466	302,506
Printing	186,762	189,225	329,014
Store	22,484	23,938	165,081
Cafeteria	161,218	165,935	351,406
Health center	33,173	34,164	36,195
Homes	287,580	297,838	47,924
Plant service	218,497	239,579	300,190
Service station rental	339	258	393
Miscellaneous rental	4,491	3,477	3,468
Debt service	-	-	-
	1,745,124	1,883,964	2,588,564
Excess receipts (expenditures)	$ 12,316	$ (13,786)	$ 334,696

1. Debt service listed is that applicable to auxiliary enterprise assets - There has been none.

2. Method of accounting changed.

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS*

WALLA WALLA COLLEGE

CURRENT FUND:	1968	1969	1970	1971	1972	1973	1974	1975
Accounts payable	$ 90,213	$120,747	$ 89,584	$ 100,000	$110,000	$100,000	$ 90,000	$ 90,000
Deposits	41,815	31,835	52,206	31,000	41,000	51,000	51,000	55,000
Accrued liabilities	10,744	12,890	16,008	20,000	16,000	18,000	18,000	18,000
Deferred income	73,849	83,819	101,631	100,000	110,000	110,000	120,000	120,000
Total current fund debt	$ 216,621	$249,291	$ 259,429	$ 251,000	$277,000	$279,000	$279,000	$283,000
As % of current operating expense	12.7%	13.5%	10.4%	9.6%	10.1%	9.7%	9.2%	8.9%
As % of liquid assets	.31%	.39%	.41%					
PLANT FUND:								
Notes payable	1,012,000	651,000	361,000	261,000	161,000	61,000	-	-
Contracts payable	6,673	39,102	106,385	-	-	-	-	-
Notes payable - Auxiliary enterprises	-	-	450,000	600,000	400,000	200,000	461,000	461,000
Total plant fund debt	1,018,673	690,102	917,385	861,000	561,000	261,000	461,000	461,000
As % of total plant assets	9.5%	6.5%	7.9%					
TOTAL INDEBTEDNESS	$1,235,294	$939,393	$1,176,814	$1,112,000	$838,000	$540,000	$740,000	$744,000
As % of total fund balances	15.8%	12.1%	14.5%					

*No auxiliary enterprise debt for 1968, 1969.

School: Whitman College

Location: Walla Walla, Washington

Student Body size: 1,226 F.T.E.

Faculty size: 75 F.T.E.

Asset value: $34,722,381

Long-term indebtedness: 0

Financial controls

Whitman College prepares summary five-year budget projections and a detailed annual budget. The annual budget is not time phased by month; however, monthly actuals are compared to the yearly budget figures for control purposes. The books are prepared on a modified accrual basis, but encumbrance accounting is not utilized. Subsidiary records are reconciled to the general ledger on a monthly basis. Data processing applications are developed in the financial area wherever possible. Whitman maintains good control over their financial affairs.

Current operating fund

The current operating fund is presently operating at a small surplus, which is utilized immediately in the following year. This surplus is projected to continue through 1975 and will average $30,000 annually over the five-year period. The college has been able to realize this operating surplus by maintaining a student body of about 1,100 students with a tuition of $1,850 per year, together with a substantial gift and endowment program which they plan to expand next year. There are virtually no long-term debt service requirements for the current fund.

External indebtedness

The external indebtedness of Whitman College is quite small and is limited for the most part to accrued salaries, wages, and accrued taxes.

Combined fund balances

The combined fund balances of Whitman College at the end of fiscal 1970 were $34,000,000 with assets of $34,700,000 and liabilities of $700,000. The combined fund balances of Whitman College are the highest for all the colleges in the survey.

SCHEDULE I

CURRENT FUND PROFILE

WHITMAN COLLEGE

SOURCE OF FUNDS:	Year ended summer 1968 Restricted	Non-restricted	Total	Year ended summer 1969 Restricted	Non-restricted	Total	Year ended summer 1970 Restricted	Non-restricted	Total	Year ended summer 1971 Restricted	Non-restricted	Total
Tuition and fees	$ -	$1,482,210	$1,482,210	$ -	$1,541,439	$1,541,439	$ -	$1,581,604	$1,581,604			$1,660,000
Endowment income	254,852	235,509	490,361	293,706	259,509	553,215	311,079	280,079	591,158			638,500
Organized activities		8,810	8,810		9,973	9,973		8,860	8,860			9,000
Gifts - Church												-
Gifts - Other		48,718	48,718		33,457	33,457		157,054	157,054			84,000
Grants - Government	132,979		132,979	121,441		121,441	129,411		129,411			130,000
Grants - Other												-
Contributed services												-
Student aid	28,500		28,500	31,100		31,100	30,300		30,300			31,500
Auxiliary enterprises		745,984	745,984		806,527	806,527		871,965	871,965			935,000
Other sources		331,020	331,020		248,699	248,699		377,287	377,287			350,000
Total	416,331	2,852,251	3,268,582	446,247	2,899,604	3,345,851	470,790	3,276,849	3,747,639			3,838,000
APPLICATION OF FUNDS:												
General admin. and instut.		410,793	410,793		509,378	509,378		531,006	531,006			558,000
Instruction and dept. research		995,275	995,275		1,073,043	1,073,043		1,222,862	1,222,862			1,284,000
Libraries		148,083	148,083		156,839	156,839		198,170	198,170			208,000
Student services		219,565	219,565		230,215	230,215		259,920	259,920			273,000
Sponsored research and programs	8,943		8,943	8,187		8,187						-
Plant operation and maintenance		343,468	343,468		304,043	304,043		418,608	418,608			440,000
Subtotal	8,943	2,117,184	2,126,127	8,187	2,273,518	2,281,705		2,630,566	2,630,566			2,763,000
Student aid	250,148		250,148	284,950		284,950	275,763		275,763			290,000
Auxiliary enterprises		696,686	696,686		706,107	706,107		747,735	747,735			785,000
Student activities												-
Debt services												-
TOTAL	259,091	2,813,870	3,072,961	293,137	2,979,625	3,272,762	275,763	3,378,301	3,654,064			3,838,000
Net revenues (expenses)			$ 195,621			$ 73,089			$ 93,575			$ 0

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WHITMAN COLLEGE - CURRENT FUND PROFILE - SCHEDULE I - cont'd.

SOURCE OF FUNDS:	Year ended summer 1972 Restricted	Non-restricted	Total	Year ended summer 1973 Restricted	Non-restricted	Total	Year ended summer 1974 Restricted	Non-restricted	Total	Year ended summer 1975 Restricted	Non-restricted	Total
Tuition and fees			$1,743,000			$1,830,000			$1,922,000			$2,018,000
Endowment income			689,600			744,800			804,400			868,800
Organized activities			9,000			9,000			9,000			9,000
Gifts - Church			-			-			-			-
Gifts - Other			88,000			93,000			97,000			101,800
Grants - Government			130,000			135,000			135,000			135,000
Grants - Other			-			-			-			-
Contributed services			-			-			-			-
Student aid			33,100			34,800			36,500			38,300
Auxiliary enterprises			1,000,000			1,060,000			1,120,000			1,180,000
Other sources			360,000			370,000			380,000			390,000
Total			4,052,700			4,276,600			4,503,900			4,740,900
APPLICATION OF FUNDS:												
General admin. and instut.			586,000			615,000			646,000			678,000
Instruction and dept. research			1,348,000			1,415,000			1,486,000			1,560,000
Libraries			218,400			229,300			240,800			252,800
Student services			287,000			301,400			316,500			332,300
Sponsored research and programs			-			-			-			-
Plant operation and maintenance			462,000			485,000			509,300			534,800
Subtotal			2,901,400			3,045,700			3,198,600			3,357,900
Student aid			304,500			319,700			335,700			352,500
Auxiliary enterprises			835,000			880,000			925,000			970,000
Student activities			-			-			-			-
Debt services			-			-			-			-
TOTAL			4,040,900			4,245,400			4,459,300			4,680,400
Net revenues (expenses)			$ 11,800			$ 31,200			$ 44,600			$ 60,500

SCHEDULE II

AUXILIARY ENTERPRISES

WHITMAN COLLEGE

	Year ended June 2, 1968	June 1, 1969	June 1, 1970
RECEIPTS:			
Dormitories	$219,712	$244,033	$275,042
Dining halls	338,114	362,369	390,910
Student center	181,119	193,422	199,762
Rental property	7,039	6,703	6,251
	745,984	806,527	871,965
EXPENDITURES:[1]			
Dormitories	173,796	170,083	177,200
Dining halls	316,873	306,725	341,641
Student center	195,419	218,247	217,723
Rental property	10,598	11,052	11,171
Debt service	-	-	-
	696,686	706,107	747,735
Excess receipts (expenditures)	$ 49,298	$100,420	$124,230

1 Expenditures include debt servicing for auxiliary enterprises fixed assets.

SCHEDULE III

SCHEDULE OF EXTERNAL INDEBTEDNESS

WHITMAN COLLEGE

	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:**								
Accrued taxes	$ 8,817	$ 9,283	$ 10,000	$ 10,000	$ 11,000	$ 11,000	$ 12,000	$ 12,000
Salaries and wages payable	129,559	134,770	154,000	154,000	154,000	156,000	156,000	156,000
Student deposits	71,549	90,145	90,000	90,000	90,000	95,000	95,000	95,000
Miscellaneous	23,431	28,976	30,000	30,000	30,000	35,000	35,000	35,000
Total current fund debt	233,356	263,174	284,000	284,000	285,000	297,000	298,000	298,000
As % of current op. expense	11.0%	11.0%	10.8%	10.3%	9.8%	9.8%	9.3%	8.9%
As % of liquid assets	19.8%	22.4%						
PLANT FUND:*								
Mortgages payable	45,768	13,797	11,826	9,800	7,800	5,800	3,800	1,800
Total plant fund debt	45,768	13,797	11,826	9,800	7,800	5,800	3,800	1,800
As % of total plant assets	.4%	.1%	.1%					
TOTAL INDEBTEDNESS	$279,124	$276,971	$295,826	$293,800	$292,800	$302,800	$301,800	$299,800
As % of total fund balances	11.4%	10.3%	9.9%					

* No auxiliary enterprise debt.
**Projected on basis of previous 3-year trend.

SCHEDULE IV

FUND BALANCES

WHITMAN COLLEGE

	1968	1969	1970
CURRENT FUNDS:			
Assets	$ 332,636	$ 326,843	$ 359,507
Due from other funds	-	-	-
Liabilities	134,377	154,660	164,338
Due to other funds	-	-	-
Fund balance	198,259	172,183	195,169
PLANT FUND:			
Assets	10,533,247	11,270,197	12,649,230
Due from other funds	61,247	-	-
Liabilities	156,105	441,433	423,317
Due to other funds	110,337	427,636	411,491
Balance	10,377,142	10,828,764	12,225,913
LOAN FUND:			
Assets	106,631	106,641	237,991
Due from other funds	-	-	-
Liabilities	-	-	128,851
Due to other funds	-	-	128,851
Fund balance	106,631	106,641	109,140
ENDOWMENT FUND:			
Assets	11,559,074	13,403,143	14,385,439
Due from other funds	110,337	427,636	520,631
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	11,559,074	13,403,143	14,385,439
SCHOLARSHIP ENDOWMENT FUND:			
Assets	1,902,223	2,035,053	2,468,479
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	1,902,223	2,035,053	2,468,479
OTHER FUNDS - UNDISTRIBUTED:			
Assets	365,584	401,965	433,735
Due from other funds	-	-	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	365,584	401,965	433,735
COMBINED FUND - Assets	$24,799,395	$27,543,842	$30,534,381
- Liabilities	$ 290,482	$ 596,093	$ 716,506
- Balances	$24,508,913	$26,947,749	$29,817,875

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF JUNE 30, 1970

WHITMAN COLLEGE

Debtor	Current fund	Plant fund	Agency and loan fund	Trust and endowment fund	Undistributed fund
Current fund	-	-	-	-	-
Plant fund	-	-	-	$891,040[2]	
Agency and loan fund	-	-	-	-	-
Trust and endowment fund	-	-	-	-	-
Undistributed fund	$681,000[1]	-	-	-	-

1 Endowment and miscellaneous income from past year.

2 For new dormitory and student center.

School: Whitworth College

Location: Spokane, Washington

Student Body size: 1,371 F.T.E.

Faculty size: 76 F.T.E.

Asset value: $13,262,684

Long-term indebtedness: $2,631,100

Financial controls

Whitworth College prepares a two-year budget on a summary basis and an annual budget detailed by budget class. The annual budget is not prepared on a time-phased basis; however, the budget is compared to actuals on a quarterly basis using 25% of the budgeted amount for comparison.

The books are prepared on a modified accrual basis with a summary current fund balance sheet and income statement prepared on a monthly basis and balance sheet prepared for all funds on a quarterly basis. Subsidiary records are reconciled to the general ledger on a monthly basis. Encumbrance accounting is not utilized. Overall management is sound.

Current operating fund

Current projections indicate that the Current Fund will operate at a deficit averaging approximately $500,000 per year through 1975. The college administration hopes to significantly reduce this projected deficit with a substantially expanded gift and endowment program. Gifts and endowment income would have to be increased from the present level of $290,000 to approximately $800,000 annually in order to eliminate the current operating deficit.

The other major source of revenue, tuition, is scheduled to increase by $100 per year from $1500 per year in fiscal 1971 to $1600 in fiscal 1972. The college is currently engaged in a vigorous recruitment program and anticipates enrollment to increase from a current level of $1,100 to over 1,500 in 1975. However, revenue from tuition and fees will not increase at quite this rate because matriculating students are guaranteed the same tuition rate for four years.

It appears that both the anticipated additional income from gifts and endowments (which is not reflected in current operating fund projections) and tuition (which is reflected) may be optimistic considering competition for students and for funds.

External indebtedness

The majority of the college's external indebtedness are liabilities of the Plant Fund and is comprised primarily of bonds for financing the housing and dining system. Planned acquisitions include $225,000 for a health center and $90,000 for stadium improvements in 1971. A current fund note payable for $480,000 was used to fund the operating deficit for fiscal 1970. This note is projected to be paid by 1973.

The maintenance of the above debt retirement schedules is dependent on the success of the current fund drive.

Combined fund balances

The combined fund balances of $8,602,280 are about average for all colleges studied and appear sufficient to sustain short-term operating losses.

SCHEDULE I

CURRENT FUND PROFILE

WHITWORTH COLLEGE

	Year ended summer 1968			Year ended summer 1969			Year ended summer 1970			Year ended summer 1971		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees	$ 15,689	$1,463,191	$1,478,880	$ 15,000	$1,442,528	$1,457,528	$15,000	$1,527,890	$1,542,890	$15,000	$1,600,500	$1,615,500
Endowment income		92,220	92,220		127,288	127,288		117,000	117,000		110,000	110,000
Organized activities		14,620	14,620		15,000	15,000		15,000	15,000		15,000	15,000
Gifts - Church		53,967	53,967		53,600	53,600						
Gifts - Other		161,558	161,558		244,373	244,373	52,000	232,500	284,500	50,000	237,000	287,000
Grants - Government	99,908		99,908	84,771		84,771						
Grants - Other								373,000	373,000		361,000	361,000
Contributed services	142,969		142,969	151,625		151,625		775,200	775,200		804,550	804,550
Student aid	49,565	735,458	785,023	434	781,857	782,291		23,100	23,100		16,600	16,600
Auxiliary enterprises		27,055	27,055		23,401	23,401		15,400	15,400		10,000	10,000
Other sources												
Sponsored research												
Total	308,131	2,548,069	2,856,200	251,830	2,688,047	2,939,877	67,000	3,079,090	3,146,090	65,000	3,154,650	3,219,650
APPLICATION OF FUNDS:												
General admin. and institut.	5,595	515,165	520,760	5,572	567,810	573,382			619,392			689,689
Instruction and dept. research	74,390	908,656	983,046	56,002	939,230	995,232			1,205,299			1,324,220
Libraries	19,923	86,518	106,441	23,197	106,655	129,852			118,916			127,317
Student services									15,400			10,000
Sponsored research and programs									208,861			231,990
Plant operation and maintenance		151,308	151,308		173,469	173,469						
Subtotal	99,908	1,661,647	1,761,555	84,771	1,787,164	1,871,935			2,167,868			2,383,216
Student aid	142,969	159,041	302,010	151,625	225,933	377,558			458,157			458,700
Auxiliary enterprises		701,730	701,730		738,545	738,545			811,455			772,100
Student activities		127,730	127,730		130,000	130,000			130,000			130,000
Debt services		25,950	25,950		7,304	7,304						
Other									5,951			11,351
Total	242,877	2,676,098	2,918,975	236,396	2,888,946	3,125,342			3,573,431			3,755,367
Net revenues (expenses)			$ (62,775)			$ (185,465)			$ (427,341)			$ (535,717)

WHITWORTH COLLEGE - CURRENT FUND PROFILE - SCHEDULE I - cont'd.

	Year ended summer 1972			Year ended summer 1973			Year ended summer 1974			Year ended summer 1975		
	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total	Restricted	Non-restricted	Total
SOURCE OF FUNDS:												
Tuition and fees			$1,728,000			$1,849,000			$1,978,000			$2,116,000
Endowment income			110,000			110,000			110,000			110,000
Organized activities			20,000			20,000			20,000			20,000
Gifts - Church			75,000			75,000			75,000			75,000
Gifts - Other			290,000			294,000			297,000			300,000
Grants - Government			90,000			90,000			90,000			90,000
Grants - Other												
Contributed services			386,000			413,000			442,000			473,000
Student aid			800,000			800,000			800,000			800,000
Auxiliary enterprises			30,000			30,000			30,000			30,000
Other sources												
Sponsored research												
Total			3,529,000			3,681,000			3,842,000			4,014,000
APPLICATION OF FUNDS:												
General admin. and institut.			724,000			760,000			798,000			838,000
Instruction and dept. research			1,390,000			1,456,000			1,529,000			1,605,000
Libraries			134,000			141,000			148,000			155,000
Student services												
Sponsored research and programs			244,000			256,000			269,000			282,000
Plant operation and maintenance												
Subtotal			2,492,000			2,613,000			2,744,000			2,880,000
Student aid			491,000			925,000			562,000			601,000
Auxiliary enterprises			831,000			845,000			816,000			829,000
Student activities			137,000			144,000			151,000			159,000
Debt services												
Other												
Total			3,951,000			4,127,000			4,273,000			4,469,000
Net revenues (expenses)			$ (422,000)			$ (446,000)			$ (431,000)			$ (455,000)

SCHEDULE II

AUXILIARY ENTERPRISES

WHITWORTH COLLEGE

	Year ended summer 1968	1969	1970
RECEIPTS:			
Residence halls	$294,016	$299,115	$
Dining hall	337,612	342,493	
Gasoline service station	5,486	4,581	Details
Student fees for auxiliary enterprise debt retirement	15,689	15,008	Not Known
Bookstore	119,530	110,070	
Student union building	2,366	2,524	
Auto and bus rentals	9,763	8,185	
Garage rentals	561	315	
	785,023	782,291	775,200
EXPENDITURES:			
Kitchen and dining hall	304,715	310,968	
Residence halls	118,626	144,101	
Student apartments	3,802	2,799	Details
Faculty housing	1,257	218	Not
Student union building	2,073	2,099	Known
Student center	10,739	8,493	
Bookstore	115,734	103,986	
Post office	3,176	3,563	
Debt service	118,401	137,535	217,223
Gas service station	4,578	3,431	
Autos and buses	13,746	20,846	
Summer conference	4,883	506	
	701,730	738,545	811,455
Excess receipts (expenditures)	$ 83,293	$ 43,746	$(36,255)

SCHEDULE III

SUMMARY OF EXTERNAL INDEBTEDNESS

WHITWORTH COLLEGE

	1968	1969	1970	1971	1972	1973	1974	1975
CURRENT FUND:								
Accounts payable and accrued expenses	$ 55,300	$ 30,297	$ 50,000	$ 55,000	$ 55,000	$ 57,000	$ 60,000	$ 60,000
Notes payable	-	220,000	480,000	480,000	480,000	480,000	480,000	480,000
Deposits	103,820	89,367	90,000	90,000	90,000	90,000	90,000	90,000
Total current fund debt	159,120	359,664	620,000	625,000	625,000	627,000	630,000	630,000
As % of current oper. expense	17.6%	19.1%	28.6%	23.8%	25.1%	24.0%	23 0%	21.9%
As % of liquid assets	36.9%	82.3%						
PLANT FUND:								
Auxiliary -								
Bonds payable	2,583,664	2,603,642	2,551,600	2,501,000	2,451,000	2,402,000	2,354,000	2,307,000
Accounts payable	129,196							
Notes payable				225,000(1)	216,000(1)			
				90,000(2)	45,000(2)	207,000	199,000	191,000
	2,712,860	2,603,642	2,551,600	2,816,000	2,712,000	2,609,000	2,553,000	2,498,000
Non-auxiliary -								
Bonds payable	141,522	104,703	60,500	48,000				
Notes payable	108,693	57,028	19,000		36,000	24,000	10,000	
	250,215	161,731	79,500	48,000	36,000	24,000	10,000	
Total plant fund debt	2,963,075	2,765,373	2,631,100	2,864,000	2,748,000	2,633,000	2,563,000	2,498,000
As % of total plant assets	35.4%	32.8%	30.8%					
OTHER FUNDS:								
Loan funds - Accounts payable		76,931						
Loan funds - O.E.	68,509							
Total other fund debt	68,509	76,931						
Total indebtedness	$3,190,704	$3,201,968	$3,231,100	$3,489,000	$3,373,000	$3,260,000	$3,193 000	$3,128,000
As % of total fund balances	37.4%	36.2%	40.7%					

(1) Health center acquisition (2) Stadium improvement (3) Student union

SCHEDULE IV

FUND BALANCES

WHITWORTH COLLEGE

	1968	1969	1970
CURRENT FUNDS (unrestricted):			
Assets	$ 215,954	$ 198,855	$ 186,356
Due from other funds	7,566	26,415	7,908
Liabilities	159,130	359,664	582,480
Due to other funds	10	-	14,908
Fund balance	56,824	(160,809)	(396,124)
PLANT FUND:			
Assets	8,352,415	8,419,866	8,519,533
Due from other funds	10	-	12,956
Liabilities	2,963,075	2,765,871	2,660,574
Due to other funds	-	498	-
Balance	5,389,340	5,653,995	5,858,959
LOAN FUND:			
Assets	1,107,761	1,220,289	1,470,628
Due from other funds	-	-	43,988
Liabilities	68,509	76,931	1,297,133
Due to other funds	-	-	43,988
Fund balance	1,039,252	1,143,358	173,495
ENDOWMENT FUND:			
Assets	1,267,677	1,338,013	1,559,634
Due from other funds	-	-	-
Liabilities	41,695	27,819	103,471
Due to other funds	10,240	27,819	9,260
Fund balance	1,225,982	1,310,194	1,456,163
SCHOLARSHIP FUND:			
Assets	598,322	607,603	704,982
Due from other funds	-	-	-
Liabilities	909	1,681	7,484
Due to other funds	909	1,681	2,230
Fund balance	597,413	605,922	697,498
CURRENT FUNDS (restricted):			
Assets	161,276	215,965	208,317
Due from other funds	-	-	5,534
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	161,276	215,965	208,317

SCHEDULE IV (continued)

	1968	1969	1970
DEBT RETIREMENT FUND:			
Assets	$ 54,433	$ 57,406	$ -
Due from other funds	3,583	3,583	-
Liabilities	-	-	-
Due to other funds	-	-	-
Fund balance	54,433	57,406	-
COMBINED FUNDS - Assets	$11,757,838	$12,057,997	$12,649,450
- Liabilities	$ 3,233,318	$ 3,231,966	$ 4,651,142
- Balance	$ 8,524,528	$ 8,826,031	$ 7,998,308

SCHEDULE V

INTERFUND TRANSFER BALANCES
AS OF SUMMER 1970

WHITWORTH COLLEGE

Debtor	Current fund	Plant fund	Student loan fund	Endowment fund	Scholar-ship fund	Current restricted
Current fund	-	$9,374	-	-	-	$5,534
Plant fund	-	-	-	-	-	-
Student loan fund	-	-	-	-	-	-
Endowment fund	$5,677	3,582	-	-	-	-
Scholarship fund	2,230	-	-	-	-	-
Current restricted	-	-	-	-	-	-

SCHEDULE VI

COMBINED BALANCE SHEET ITEMS
(Interfund accounts eliminated)

BOOK VALUE

		1968	1969
Fort Wright	Assets	$ 4,206,317	$ 4,364,621
	Liabilities	637,916	1,392,183
	Fund balance	3,568,401	2,972,438
Gonzaga	Assets	16,885,069	16,889,576
	Liabilities	8,667,468	8,630,814
	Fund balance	8,217,601	8,258,762
Pacific Lutheran	Assets	20,043,957	21,488,771
	Liabilities	9,097,998	9,985,752
	Fund balance	10,945,959	11,503,019
St. Martin's	Assets	6,072,251	6,460,802
	Liabilities	2,734,373	2,593,017
	Fund balance	3,337,878	3,867,785
Seattle Pacific	Assets	12,527,008	14,964,292[1]
	Liabilities	7,676,253	8,212,580
	Fund balance	4,850,755	6,751,712
Seattle University	Assets	28,758,992	31,672,232
	Liabilities	17,345,193	19,478,635
	Fund balance	11,413,799	12,193,597
UPS	Assets	24,500,426	24,623,363
	Liabilities	5,503,049	5,405,413
	Fund balance	18,997,377	19,217,950
Walla Walla	Assets	9,294,283	8,939,370
	Liabilities	1,516,550	1,187,395
	Fund balance	7,777,733	7,751,975
Whitman	Assets	24,799,395	27,543,842
	Liabilities	290,482	596,093
	Fund balance	24,508,913	26,947,749
Whitworth	Assets	11,703,405	12,000,591
	Liabilities	3,233,318	3,231,966
	Fund balance	8,470,087	8,768,625

1 1970; 1969 not available.

SCHEDULE VII

COMBINED AND ADJUSTED FUND BALANCES
(Interfund accounts eliminated)

AS OF SUMMER 1970

	Assets[1]	Liabilities	Adjusted fund balance
Fort Wright	$ 4,409,196	$ 1,552,915	$ 2,856,281
Gonzaga	21,362,994	8,992,510	12,370,484
Pacific Lutheran	27,334,857	12,486,649	14,848,208
Saint Martin's[2]	6,350,678	2,316,465	4,034,213
Seattle Pacific[2]	14,964,292	8,212,580	6,751,712
Seattle University	32,871,593	19,478,635	13,392,958
University of Puget Sound[3]	33,194,345	5,452,142	27,742,203
Walla Walla	14,744,275	1,452,318	13,291,957
Whitman	34,722,381	716,506	34,005,875
Whitworth	13,262,684	4,660,404	8,602,280

1 Assets include fixed assets at current dollar figure as filed with Washington Rating Bureau and market value of endowments.

2 Same as book values.

3 Same as book values for endowments.

SCHEDULE VIII

ENDOWMENT PROFILE

BOOK VALUE AT YEAR END

	67-68 Book value	68-69 Book value	69-70 Book value	69-70 Market value	69-70 Income earned
Fort Wright	$ 84,644	$ 83,998	$ 70,841	$ 39,752	$ 1,400
Gonzaga	781,402	622,155	878,819	855,954	17,568
Pacific Lutheran	662,885	735,184	621,926	587,060	37,298
St. Martin's	-	-	-	-	-
Seattle Pacific	1,950	1,950	1,950	Unknown	12,000*
Seattle University	1,098,805	1,117,958	522,689	484,568	31,308
University of Puget Sound	5,543,103	5,678,865	6,078,632	6,078,632	150,000
Walla Walla	219,177	203,397	229,935	229,935	18,400
Whitman	13,827,000	15,840,000	17,287,000	17,717,000	879,300
Whitworth	1,225,982	1,310,194	1,544,243	1,867,655	105,532

*Income earned on service station operation considered as endowment. No value has been determined for the station.

SCHEDULE IX

PHYSICAL PLANT ASSET PROFILE

AS OF SUMMER 1970

	Original cost					
	Land	Buildings	Equipment	Total	Current appraised value	Total balance owed
Fort Wright	$ 185,948	$ 3,106,473	$ 734,558	$ 4,026,979	$ 4,026,979	$ 1,409,010
Gonzaga	670,495	10,864,076	2,477,073	14,011,644	18,092,707	8,076,861
Pacific Lutheran	184,456	18,300,000	2,127,000	20,611,456	22,350,000	9,345,600
St. Martin's[1]	75,830	4,587,515	1,603,623	6,266,968	6,266,968	1,683,840
Seattle Pacific[1]	725,311	10,556,257	1,425,337	12,706,905	10,458,904*	7,068,696
Seattle University	4,104,735	18,848,518	3,226,658	26,179,911	27,417,393	11,722,248
University of Puget Sound	524,900	12,552,302	2,668,450	15,745,652	22,018,524	4,680,000
Walla Walla	571,771	7,421,568	2,539,909	10,533,248	13,535,000	325,000
Whitman	727,000	8,830,000	2,545,000	12,102,000	15,860,000	11,826
Whitworth	226,805	7,086,822	1,096,751	8,410,378	8,704,197	2,979,836

*Current appraised value - That $ figure most recently filed with the Washington Rating Bureau.

1 Current appraised value same as cost.

SCHEDULE X

DEBT SERVICE REQUIREMENTS

		1968 (4)	1969 (4)	1970 (4)	1971	1972	1973	1974	1975
Fort Wright	- Long-term debt (as of 7/1)	$ 882,428	$ 1,144,815	$ 1,110,555	$ 954,931	$ 873,177	$ 787,365	$ 697,020	$ 601,118
	Debt retired	20,912	28,896	34,260	65,486	81,754	85,812	90,345	95,902
	Debt additions	325,750	284,487	-	-	-	-	-	-
	Interest paid	31,709	39,412	46,000	58,830	50,611	46,269	42,498	36,941
Gonzaga	- Long-term debt (as of 7/1)	6,494,323	6,150,553	7,897,000	7,830,000	7,759,000	7,631,000	7,474,000	7,257,000
	Debt retired	297,132	363,278	552,000	67,000	71,000	128,000	157,000	217,000
	Debt additions	-	-	2,300,000	-	-	-	-	-
	Interest paid	224,884	252,251	334,000	415,000	406,000	400,000	390,000	380,000
Pacific Lutheran	- Long-term debt (as of 7/1)	6,681,583	7,215,100	9,345,600	9,189,500	8,979,400	8,759,000	8,528,500	8,289,200
	Debt retired	55,000	66,483	123,100	156,100	210,100	220,400	230,500	239,300
	Debt additions	-	600,000	2,253,600	-	-	-	-	-
	Interest paid	210,882	215,783	224,859	412,650	407,900	399,150	389,700	379,650
St. Martin's	- Long-term debt (as of 7/1)	1,815,000	1,781,000	1,745,000	1,710,000	1,675,000	1,634,000	1,593,000	1,552,000
	Debt retired	30,000	34,000	36,000	35,000	35,000	41,000	41,000	41,000
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid	54,000	53,000	52,000	51,000	50,000	49,000	48,000	47,000
Seattle Pacific	- Long-term debt (as of 7/1)	7,125,572(1)	7,047,490	7,068,696	6,718,600	6,418,000	6,118,000	5,818,000	5,518,000
	Debt retired	81,000	150,000(2)	167,000	350,076	300,000	300,000	300,000	300,000
	Debt additions	50,000	71,918	188,206	-	-	-	-	-
	Interest paid	183,013	180,000	200,000	200,000	200,000	200,000	200,000	200,000
Seattle Univ.	- Long-term debt (as of 7/1)	11,665,649	12,448,989	11,740,000	11,280,000	10,820,000	10,360,000	9,900,000	9,440,000
	Debt retired	503,223	467,818	708,989	460,000	460,000	460,000	460,000	460,000
	Debt additions	-	1,247,717	-	-	-	-	-	-
	Interest paid	503,401	276,091	529,000	487,000	467,000	447,000	427,000	408,000
UPS	- Long-term debt (as of 7/1)	5,255,000	5,065,000	4,915,000	4,802,000	4,675,000	4,546,000	4,414,000	4,280,000
	Debt retired	449,000(3)	190,000	150,000	113,000	127,000	129,000	132,000	134,000
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid		188,000	221,000	215,000	210,000	204,000	199,000	193,000
Walla Walla	- Long-term debt (as of 7/1)	1,018,673	690,109	917,385	861,000	561,000	261,000	461,000	461,000
	Debt retired	252,000	328,564	361,000	550,000	500,000	500,000	500,000	500,000
	Debt additions	-	-	588,276	500,000	200,000	200,000	700,000	500,000
	Interest paid	79,925	57,594	69,133	60,000	60,000	35,000	35,000	40,000

(1) Includes $491,324 of demand or short-term debt.

(2) Estimate - Payments become progressively higher, $5,629,000 worth of bonds issued 7/1/68.

(3) Includes interest.

(4) Approximations in some cases, accurate figures not always available.

SCHEDULE X (continued)

		1968	1969	1970	1971	1972	1973	1974	1975
Whitman	- Long-term debt (as of 1/1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Debt retired	-	-	-	-	-	-	-	-
	Debt additions	-	-	-	-	-	-	-	-
	Interest paid	-	-	-	-	-	-	-	-
Whitworth	- Long-term debt (as of 1/1)	2,833,879	2,765,373	2,631,100	2,864,000	2,748,000	2,633,000	2,563,000	2,498,000
	Debt retired	71,402	68,506	134,273	82,100	116,000	115,000	70,000	65,000
	Debt additions	-	-	-	315,000	-	-	-	-
	Interest paid	72,949	83,798	82,950	79,000	86,000	82,000	79,000	77,000

SCHEDULE XI

FACULTY AND STUDENT PROFILE

AS OF SUMMER 1970

	General and educational expenditures[1] 1970 estimate	Number of FTE students	FTE student cost	Number of associat and full professor	Average annual Compensation	Number of assistant professors	Average annual compensation	Number of other teaching	Student faculty ratio	FTE faculty total
Fort Wright	$ 689,897	416	$1,658	18	Contrib.	17	Contrib.	3	11:1	38
Gonzaga	4,177,564	2,597	1,608	65	$13,561	70	$10,963	35	15:1	170
Pacific Lutheran	4,114,871	2,527	1,628	51	13,731	75	10,684	16	18:1	142
St. Martin's	1,150,400	663	1,730	26	12,266	29	9,110	19	9:1	74
Seattle Pacific	2,733,920	1,767	1,547	57	10,717	52	8,646	15	14:1	124
Seattle University	5,570,239	3,103	1,795	93	14,242	99	10,837	8	16:1	200
University of Puget Sound	3,498,000	2,596	1,347	64	14,529	56	11,274	18	19:1	138
Walla Walla	2,482,949	1,662	1,493	39	10,400	32	9,500	20	18:1	91
Whitman	2,630,600	1,226	2,145	36	12,900	22	9,700	17	16:1	75
Whitworth	2,167,868	1,371	1,581	35	12,164	41	9,801	0	18:1	76

1 General and educational expenditures include:
- General administration and institution expenses
- Instruction and department research
- Libraries
- Student services
- Organized research and sponsored programs
- Plant operations and maintenance

EXHIBIT I

CURRENT FUND PROFILE
PROJECTION APPROACH

Source of funds	
Tuition and fees	CHE student projections through 1972 (then constant) times known tuition and fee structure for the year involved where available or 5% increase per year.
Endowment income	Trend and school plans.
Organized activities	Static.
Gifts - Church	Four-year average + 5% a year.
Gifts - Other	Four-year average + 5% a year.
Grants - Government	Three-year average - Wash out against expense.
Grants - Other	Three-year average - Wash out against expense.
Contributed services	School plans.
Student aid	Same % increase as tuition and fees.
Auxiliary enterprises	Trend + school plans.
Other sources	Trend + school plans.

Application of funds	
General admin. and institut. Instruction and dept. research Libraries Student services Sponsored research and programs* Plant operation and maintenance	5% increase
Student aid	Same % increase as tuition and fees.
Auxiliary enterprises	Trend + school plans.
Student activities	5% increase
Debt services	Actual

* Related to source if possible otherwise 5%.

EXHIBIT II

CURRENT FUND PROFILE
EXPLANATION OF HEADINGS

Source of funds	
Tuition and fees	As defined
Endowment income	"
Organized activities	"
Gifts - Church	"
Gifts - Other	"
Grants - Government	"
Grants - Other	"
Contributed services	"
Student aid	"
Auxiliary enterprises	"
Other sources	"
Application of funds	
General admin. and institut.	Gen. admin., gen. institutional, staff benefits, public relations, other.
Instruction and dept. research	Organized activities (not including intercollegiate athletics).
Libraries	As defined.
Student services	As defined.
Sponsored research and programs	All research and other sponsored programs.
Plant operation and maintenance	As defined.
Student aid	As defined.
Auxiliary enterprises	Including debt service on auxiliary enterprise assets.
Student activities	Intercollegiate athletics, dances, newspaper, student government, as distinct from organized activities such as choir, drama.
Debt services	All except that for auxiliary enterprises, including what may be paid from other funds.

ANALYSIS OF CONSTITUTIONAL LIMITATIONS SPECIFIC PROGRAM PROPOSALS*

The programs here considered are as follows:

1. An unconditional grant to every resident student in both public and private higher education regardless of course of study (such a grant may be initially set at $100).

2. An unconditional grant as in (1), however, limited to only those persons attending private institutions.

3. Similarly an unconditional grant but excluding specific categories of students such as those studying for the ministry.

4. Contracting for specific programs in specific colleges (such as a school of law and/or nursing).

The first three of these are of the same sort--direct grants to students for their use in attending college or university; the fourth is quite different, a transfer of funds directly from the state to particular colleges or universities for certain instructional programs.

The constitutional limitations are of two sorts, the first an effort to assure separation of church and state and the second a concern for corrupt or foolish giving away of state funds or property. The separation clauses are Amendment 34, which prevents the use of state funds for "the support of any religious establishment," and Art. IX §4, which speaks directly in terms of schools: "All schools maintained or supported wholly or in part by public funds shall be forever free from sectarian control or influence." The anti-gift limitation is found in Art. VIII, §5, in literal terms preventing the state from "loaning its credit."

This analysis deals first with the separation clauses, then with the anti-gift provision.[1] The separation discussion is further divided, to treat first the first three of the proposed programs, the student-grants, and then the fourth program, the direct grant to the institution for specific instructional programs.

An analysis of the student-grant programs must start with a clear picture of the projected operative effect, to perceive the legislative purpose in setting up the program.

In a very broad sense, of course, that purpose is to encourage students in their pursuit of higher education. Since under all the variants of the proposal the student may use the money to attend a private institution, the legislature has obviously determined that such schools are adequate to deliver that higher education. Beyond this, however, appears another purpose, at least in part to relieve the enrollment pressure on the state colleges and universities. And,

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* This memorandum addressed to the constitutional questions applying to the specific program proposals was prepared by Professor Robert L. Fletcher, University of Washington, School of Law, for use by the Task Force on Review of Constitutional Provisions. It is included herein for additional perspective and supplements Chapter V of the report.

finally, there is the clear purpose to help keep the private colleges in operation.

Will these purposes be served?
To summarize very briefly, the data gathered for this study and available elsewhere shows generally that the private schools have unused physical plant capacity and faculty and staff resources adequate to handle more students without great increases in cost and thus at a lower per student cost; it shows that the state institutions are presently and prospectively subject to great enrollment pressures; it shows that at least with respect to most programs the cost to the state to expand the state colleges and universities adequately to meet these pressures would be greater than to make direct assistance grants to the students to pursue their education at private colleges; and it shows that the private colleges in some instances will suffer and perhaps not survive unless the trend toward their decreasing enrollment reverses.

The projected effect of any of the three student grant programs upon these enrollment patterns and their undesirable social consequences is of course not susceptible of the same sort of data-supported proof, but some predictions can apparently be made. If a grant of a modest amount, say $100 per year, be made to all college students, regardless of institution attended, the effect on the enrollment pressures on the state schools and on the depressed enrollments of the private colleges may not be appreciable. If, however, the tuition charges at the state institutions should continue to increase while those at the private schools not increase or increase at a slower rate, there may be some effect upon the respective enrollments. Also, if the state institutions do not expand adequately to meet the enrollment pressures, and they are thus forced to turn away applicants, those applicants may more readily attend a private institution within the state than to go out of state to school or than not to go to school at all. If the grants should be made differential, so that the recipient going to the private school receives more than the recipient at a state school, the enrollment at the private schools may tend at least to stabilize and possibly to increase. Cutting across these estimates, however, is that the private colleges can probably be expected to increase their tuition charges to absorb a major part or all of the student grant amount. Should this happen, there may not in fact be any major shift in the respective enrollment patterns, at least in the immediate future. But the long run prediction is probably the more important. If, for example, the amounts granted to the students might increase from the present suggested figure up to substantially more, say $500 per year within five or ten years, even if the private colleges should absorb most or all of this by tuition increases, the enrollment trends of those colleges ought at least to halt their downward trend and have some reasonable prospect for increase. Here, a major contributing factor would be the regrowth of quality made possible by the increased funds finding their way to the private institutions.

Not much beyond this can be confidently predicted from the programs here proposed. On the other hand, predictions in

this field are at best quite uncertain, and, for the purposes of this analysis, it is important to remember that there must be room for legislative judgment. In other words, when it comes to predicting the future operative effect of a particular program under consideration by the legislature, the legislature must be given some room for error, and therefore be required only to adopt reasonable means for accomplishing its legitimate objectives without being required to know with absolute certainty in advance that the particular means chosen will in fact do so. If this approach be taken it would seem within the realm of legislative judgment that the adoption of one variant or another of these student grant programs will in fact accomplish the desired objectives.

At the same time, it must be realized that as the prediction may seem less and less likely, as of the time the program is challenged for its constitutionality, so will its chance for survival diminish.

Before proceeding to discuss the church-state limitations in detail it should also be noted that there are several colleges and universities in the state in which a student could attend, drawing his $100 grant, quite without posing any question of violation of the church-state constitutional provisions. That is to say, there are colleges and universities in the state that are not religiously dominated or even influenced and clearly are not "religious establishments;" Whitman College and University of Puget Sound fall generally within this category.

Perhaps an excess of caution would suggest that the grant program be restricted so that the students receiving the funds could attend only those schools that are state institutions or private schools clearly free from any church connection. Yet, perhaps to emphasize the generality of the purpose of the program, the program does not contain any such restriction; the purpose is to give students help in going to college; it is not, in a primary sense at least, a grant to the colleges.

But of course the student who uses his grant to go to a church school will pose the greatest problem. Would that constitute the "support" of a "religious establishment"? Or would that be a school "supported wholly or in part by the public funds"?

The clear burden of him who says it is not is a 1949 decision of the Washington Supreme Court.[2] In that year the court, in a rather unusual decision, held unconstitutional a statute requiring school districts, if they furnished transportation at all, to furnish it to all school children, regardless of where they went to school. The suit was brought by parents to require the school district to transport their children to a school owned and operated by a religious society, one of the principal objectives of which was to school the children in accordance with the "religious principles of the Christian Reformed Faith." The court, in a very clear and emphatic opinion by Judge Steinert, held that both constitutional provisions were violated--that this furnishing of free transportation constituted "support" of a "religious establishment" and that the particular school was "supported in whole or part" by public funds.

In one sense the opinion is unusual and a bit curious. The decision in this case followed by six years the decision in Mitchell v. Consolidated School District,[3] in which an earlier version of the free transportation statute was also held unconstitutional. In the Mitchell case the court divided 5-4, the dissenters being Judges Robinson, Jeffers, Beals and Mallery. In the second case, Visser, these same four judges were on the court, but of the 5 who had been in majority in Mitchell, only three remained. Of the two new judges, one, Judge Schwellenbach, joined the majority, and the other, Judge Hill, did not participate. Thus it would seem that the vote in the Visser case should have come out 4-4; but the fact is that the original four dissenters split among themselves. Two of them, Judges Mallery and Beals, remained in dissent. The other two, however, still expressing their disagreement with the majority nevertheless voted to concur, solely on the basis of stare decisis. The result in Visser was thus 4-2-2, with six agreeing on the result.

To some extent, albeit uncertain, this lack of a clear majority in the Visser case will make that case somewhat less persuasive as authority in determining the outcome of any suit brought to challenge the program here under consideration. Particularly if important differences in facts between the present program and that held unconstitutional in the two earlier cases are clearly brought to the attention of the court and if persuasive reasons are advanced to demonstrate that the program ought not be held unconstitutional, the court may well be persuaded.

Are there such differences in facts? Certainly there are some, although whether in sufficient number and strength may not be so clear. The differences are: a) here there is a found public need for the continued vitality of the private colleges and universities; b) there is a found circumstance that their facilities are presently under-used and can therefore be used by increased numbers of students without greatly increasing costs; c) the pressures on enrollment on state schools are extremely large and can be met only with major expense; and d) some expected easing can take place by shift in student population to private schools.

These are ingredients from which the broad benefit to the state is easily to be seen.

In addition to these factual differences, can there be persuasive arguments advanced that will overcome the force of the Visser opinion?

The strongest such argument is one that was made before, at the time the Mitchell case was decided and repeated in the Visser case. Just what constitutes "support"? Both the Mitchell and the Visser opinions state the proper rule to be that it must be shown that no benefit flows to the religious organization under the challenged program before it will survive constitutional attack. This test is palpably untenable, as Judge Mallery in his dissent points out in the Mitchell case. He there notes, with seemingly irrefutable logic, that "benefit"

and "support" are two quite different words, and only "support" is forbidden in the constitutional provisions. Many public functions are broadly beneficial, to all persons and institutions, probably best illustrated by fire and police protection. No one suggests, surely, that to furnish fire protection to a church is not a benefit, because it obviously is. But at the same time it is not "support." The proper test for use of these constitutional provisions thus simply cannot be that stated in the Mitchell and Visser opinions; rather, the line to draw must be somewhere in between. That is, some measure must be made of the relative amount of benefit flowing to the religious institution. When does "benefit" become "support"?

If instead of looking at the verbalization of the court in the Mitchell and Visser cases we instead look to the result of the cases that have one way or another involved benefits to some extent inuring to religious institutions, perhaps some better measure can be found.

For example, consider the tax exemption cases: Successively, in 1896, 1912, 1934, 1935 and 1969 the court had before it the statute[4] granting tax exemptions for real property used for religious purposes. In no case did the parties argue that the statute was unconstitutional; only in the 1969 case is the question even suggested, by a footnote in the opinion stating that the parties had not raised the question.[5] Certainly these exemptions are beneficial; but at least many tax collectors have not thought or been willing to raise in argument that the exemptions amounted to "support".[6]

In another area, consider the "released time" case, Perry v. School District,[7] decided in 1959. Here the court, it is true, held certain parts of the program unconstitutional (handing out the sign-up cards and making the announcements in the schoolrooms), but for our purposes it is important to note what is was the court did not hold unconstitutional. As against constitutional challenge the court sustained the remainder of the program, under which at the appointed hour in the afternoon the elementary pupils were actually hand-delivered to the religious instructors, who met them at the school and escorted them to the church. And, when the instruction was complete, the children were returned to the school by their escorts. Furthermore, those who did not attend the religious instruction were required to stay in school for other types of instruction or other activity, not instructional. This participation of the school in the religious program was thus certainly of substantial benefit to the church, for surely the church would have been much less well accommodated had it been required to wait until the school day was over and then merely hope that the children as they left the school would decide, instead of playing, to go to the church for religious instruction. Yet this benefit was not "support". Was the magic difference that public money was not spent on the project? But it was, at least in an indirect way, for the school was kept operating in the meantime, with heat and light and staff salaries. And for whom? only those students who remained behind? But what did they do? They could not pursue the normal course of study,

for that would harm their absent brethren who being religiously educated; the school took the only alternative--finding the remaining students some kind of "special" instruction, and delaying the progress of the regular course of instruction. Is this not a money cost to the school? If one were searching for a way to find that this program amounted to "support" it does seem relatively easy to find it. Yet, and here is the point, the court did not consider that this was "support." At the same time the court did put the invalidity of the announcement and card distribution upon the basis that that activity was support: ". . . this is a use of school facilities supported by public funds for the promotion of a religious program...[violative of Am. 34]." (emphasis in original).

Furthermore, the decision in this case permitted this amount of public participation in the religious training program even though there was no benefit to the public to be gained from the program other than that which comes from sustaining a training in religion and from the general promotion of goodwill that comes from cooperation with the churches.

A somewhat different argument, less literal than what constitutes "support", can also be made, although in the final analysis it is quite similar to the previous argument. The additional point is that the purposes and operative effect of the program under consideration are of the utmost generality and breadth of public importance. Surely the legislature must be given room to promote public purposes, such as the encouragement of students in their higher education, without having the mere possibility that there is an incidental benefit to a religious organization however remote standing ready to strike down the work of the legislature as unconstitutional. Not only would this kind of attitude stifle legislation of undoubted worth and broad public benefit, but it would also show a hostility to religious organizations far beyond the reasons for insisting upon a separation of church and government. The Washington court has itself acknowledged that such was not the intention. In the Perry case, sustaining in major part the released time program, the court stated:

"Our state constitution like that of the United States and every state in the Union, by the language used, indicates the framers were men of deep religious beliefs and convictions, recognizing a profound reverence for religion and its influence in all human affairs essential to the well-being of the community. . . It was never the intention that our constitution should be construed in any manner indicating any hostility toward religion. Instead, the safeguards and limitations were for the preservation of those rights."[8]

It must also be apparent that over the years the public need for higher education has become more and more insistent, to the point that it is considered today a duty imposed upon the state to make that available to all. It is maybe true that the language of the state constitution, adopted in 1889, in Art. IX §1 reciting "It is the paramount duty

of the state to make ample provision for the education of all children residing within its borders" may have been thought to refer primarily at least to the so-called "common schools" or the "public schools," referring to elementary and secondary schools. But clearly and explicitly the court in a 1958 case[9] considered that that duty included the furnishing of higher education. The question in that case was whether the state could enter into an interstate compact under which non-resident students might attend in-state colleges under certain favorable conditions and expend state funds incident to the operation of the interstate commission so created, without violating the Art. VIII anti-gift provision. In holding that the state could do so, the court said:

> The legislature of this state has undertaken to carry out a part of its duty to educate all children residing within its borders by a reciprocal arrangement with its sister states. In return for this state's share of the operating costs of the interstate commission, it receives benefits in the educational facilities for the residents of this state. The legislature, in the proper exercise of its discretion, has deemed the benefits received to be a sufficient consideration for the funds expended. [10]

Surely if it is a duty to furnish higher education to "all children residing within its borders," it must be a public purpose for the legislature to provide means for performance of that duty, and there must be some choice of means by which it is to be carried out. At this point a remark made by the court in a different case may be helpful. In Pacific Northwest Conference v. Barlow,[11] a 1969 case, the court decided that certain real property operated as a church camp was not entitled to the statutory exemption from real property taxes because it was used for sectarian religious purposes rather than for non-sectarian religious purposes. In the course of the opinion, the court noted that since the training at that camp was directed to a particular creed it "cannot be convincingly argued that the camp is performing a function which the state would ordinarily have the burden of performing at taxpayer's expense." But that is precisely the situation with respect to higher education. The legislature, in adopting the program under consideration, would be simply carrying out its duty in providing that higher education; it will be doing so in a way thought to incur less expense than would be incurred by simply increasing the physical facilities and staffs of the state schools; rather, it takes advantage of the already existing facilities of the private colleges; and, most important, it makes the grant to the student, to assist him in going to the private college. The benefit, such as it is, to the private college is incidental.

Surely, then, the program is designed to serve a dominant public purpose; and, it does seem that the Washington court has recognized, at least in other than the bus transportation cases, that it is legitimate for the legislature to provide means for serving such dominant

public purposes even though in some instances there may be an incidental benefit to religious organizations.

Furthermore, it should be noted that the religious ingredient in higher education, different from the inculcation that may pervade some church-run elementary or secondary schools, is relatively sophisticated and, particularly with some subjects such as mathematics, relatively minor. No precise measure of these differences among the private colleges of the state has been attempted incident to this report, but it seems safe to assume that the actual promotion of religion, whether by inculcation of doctrine and profession of faith or by simply financial support of such activities, is quite limited in many of the private colleges and universities of the state.

On this point, incidentally, the legislature may well choose to disqualify a few limited types of courses of study from among those available to grant recipients for continued eligibility. Almost without question, the state ought not and constitutionally could not financially assist a student to study for the ministry. It might also be the better part of wisdom to exclude certain other courses of study, possibly even to exclude certain colleges. A factual inquiry would have to be made, however, to determine the religious ingredient of courses at particular institutions for this purpose, and this has not been done. It is conceivable that the entire curriculum and total program of some colleges may be so infused with religion that the student's use of the money to further his education would draw with it such a heavy dose of religion as to run afoul the constitutional limitation regardless of the generality of the legislative purpose. Or, to state the matter another way, the legislative purpose must obviously be tempered by the operative effect of its program, for the court will look to see what is being accomplished by the legislative program in determining its validity as against constitutional attack.

The fourth program calls for direct payment by the state to private institutions of higher education for particular instructional programs. The illustrations given are for programs in nursing and law. As to the church-state problems, this proposal yields to much the same analysis as the student-benefit programs previously considered.

The purpose and operative effect of this type of program is of course considerably more easily identified than with the student grant program. Here the legislature has simply identified a particular state need, as for example for more nurses, and gone about filling that need. But to sustain a particular program against constitutional attack, the facts will be important. How many nurses are there now? What is the forecasted need? What facilities are available for their education? Where were the present newcomers education? Were the state schools adequate to meet that need? Will they be in the future? What will be the relative cost of furnishing state facilities for their training as compared, for example, with paying a private institution for their training? If data can be shown to establish the desirability of the

state's financing a particular program such as nursing, then clearly the necessary public purpose and operative effect will have been shown.

Does the fact that the instructional program may in a particular instance be carried on at a religiously dominated institution invalidate the arrangement? As with the student-grant program, this question must be seen as calling for a measure of degree or extent. That is, there must be some attempt to assess the incidental benefit to the religiously dominated institution, and there must be some attempt to assess the extent, if at all, to which the particular program includes an infusion of religious inculcation or profession of faith.

With some instructional programs and some schools, the answers may be relatively easy. Certainly the state could not constitutionally pay for the indoctrination and training of ministers any more than it could furnish grants to students to pursue such a program. And surely the state could not pay so much for the instructional program that the religious institution found itself able to drain away funds in substantial quantity to support its religious functions. At the opposite extreme, if for example the state should need, desperately need, five entomologists of a particular specialty trainable only at some Catholic university's laboratories, it would seem wholly within the limitations of the constitution for the state to pay a reasonable amount for their training. But of course these are extreme examples chosen to demonstrate the operative factors; how can the in-betweens be determined?

The Washington court has not dealt with this type of problem in the setting of a direct grant or payment; yet the cases discussed in connection with the student grant programs will probably be found applicable. In these cases the court, particularly in the bus transportation cases, was severe and strict in applying the constitutional limitations, and there seems little reason to believe that the state-purchased instructional programs will fare any better. Indeed, the hazard may be greater, for there will probably be difficulty in confining the application of such grants to the type of instructional programs for which there is strong state need, fulfillable only at private institutions or fulfillable there at very much less cost than at state institutions. It will also probably be difficult to find instructional programs the payment for which does not represent a very substantial benefit to the private college. That is to say, it seems very doubtful if any private college would undertake the instruction of a group of persons it was not already fairly well able to provide for, and would set its price for doing so rather in terms in asking the state to share in an already existing cost of running the particular department or, perhaps, of the institution as a whole.

The two courses of study that have been chosen, nursing and law, are probably the best examples for which there is both a state need for the product and a capacity on the part of one or more private institutions to fill. Are the facts incident to the procurement of

personnel in each of these two fields such that a state-financed program of their instruction would withstand constitutional attack?

A study of the factual background has not at this writing been made in detail, but it does seem plausible that for purposes of this report a few assumptions could be made from which useful conclusions could be drawn. Suppose, therefore, that the fact is that there is a severe shortage of trained nurses; that the state schools are not presently capable of meeting that supply; that two or three of the private colleges, including at least one that is religiously dominated, presently have capacity to train more nurses but do not have the tuition-paying enrollment to fill that capacity; and that for the state to provide more physical capacity and staff in state schools to afford that training would cost more than to pay these private schools to train the additional nurses.

Or, to take the legal profession, somewhat the same type of assumptions might realistically be made for purposes of this discussion. At present there is only one state law school, at the University of Washington, and only one law school in a private university, the law school at Gonzaga, a Catholic institution. In 1969 a total of 269 persons passed the bar examination, nearly all of whom were thereupon admitted to practice and thus can be taken to represent the year's supply of new lawyers. Of these, 102 came from the University of Washington, 31 came from Gonzaga, and 136 came from schools located outside the state. Of those who attended out-of-state law schools, undoubtedly a significant number were Washington residents, but their exact number is not available at this writing. In addition, it is probably accurate to say that there is a substantial need for more lawyers, particularly if they be well trained capable people, for certainly recent employment practices (of the firms seeking out the graduates instead of new lawyers shopping the offices) and the starting salaries (which have increased remarkably) indicated that the new lawyer has come into a definite seller's market. In the face of this situation, the legislature could certainly decide that there should be another state law school or that the University of Washington law school should double its capacity. Would it be within the legislative discretion for it to decide, instead, to pay Gonzaga to train more lawyers? If no changes be made in the Gonzaga law school it could undoubtedly be done much less expensively there than by building a second state law school or by doubling the capacity of the present law school. And if by choosing this less expensive route the quality of the law graduates could be kept nearly on a par with the quality that would result from a new state law school or a doubled output of the present state law school, certainly a substantial case could be made for a legislative choice of the Gonzaga route.

In each of these two illustrations, the chance for withstanding constitutional attack would be further enhanced because the subject

matter under study does not readily yield to becoming a vehicle for inculcation of faith, and, it must be assumed, the religious-dominated school conducting the particular program would not take advantage of their captive students to require or even attempt to persuade them, collaterally to their studies, to change or intensify their religious beliefs or practices.

Just what the Washington court would do with such a program is not at all clear, although, as suggested above, the attitude of strictness exemplified by the bus transportation cases will have to be considerably relaxed before the chance for validity becomes very great.

Although there seem to be no Washington supreme court cases that have met the question posed by this type situation, there are in fact a few programs of state money being spent, in a sense, to purchase services of various sorts. For example, the state department of welfare pays adoption agencies for certain services rendered incident to adoptions; it may also pay for other similar services. And among these adoption agencies are Catholic agencies.

A major element of the unpredictability of the Washington court's treatment of such service-procurement program as suggested by the nursing and law illustrations is the great uncertainty of the facts. Just how strong is the state need for the service to be obtained from the private school? No detailed studies have been made in either occupational field; perhaps if made they will show a very strong and urgent need and a major saving in state funds by using the facilities and staffs of the private colleges at no sacrifice in quality. Further, it will have to be shown that in no significant way would the students in such programs be drawn into the religious indoctrination or related objectives of the church-dominated schools and, further, that the funds paid by the state for the educational services would not in any substantial way be drawn off for other purposes of these schools or that they would relieve the demand for other funds. If all of these ingredients come out very strong, the case for validity becomes substantial; if not, the battle will be rough indeed.

Resort to the decisional law of other states is not of great help, for the courts are anything but unanimous in their view of programs that may benefit religiously dominated schools. It is somewhat surprising, perhaps, that this should be so, for the fact is that nearly all the states have constitutional provisions very similar to those of Washington, and the questions posed are thus nearly identical. The literature on the subject is extensive,[12] but for our purposes it serves only to emphasize the continuing vitality of the debate.

Most state constitutional provisions on this point date from the middle to late 1800's, for even the older states adopted constitutional amendments of this sort during that era. As discussed above, the enthusiasm for "Blaine Amendment" provisions was very high.[13] It not only showed up in various older state constitutions; it was also included in the Congressional Enabling Act by which Washington became a state;[14] and

the newly admitted states all wrote detailed, specific and strict limitations into their constitutions.[15]

It is true that in one respect the Washington provision may be seen to be more strict, in that, different from all other states, the requirement that the schools receiving support in whole or part from public funds be "free from sectarian control" contains the added words, "or influence."[16] But the problem is here really the same as it would be with most other states, for in the programs here under consideration we start from the premise that the school is religiously dominated; the question is whether the state program amounts to support.

Illustrative of the divergence of opinion is the New York textbook case as it was decided by the highest court of the state of New York.[17] That case, of course, went on to the United States Supreme Court, where in 1968 that court held that the New York program did not violate the federal constitution.[18] But for our purposes it is much more significant what the New York Court of Appeals did with the case. That court split 4-3, holding the program not violative of the state constitution with each side writing a clear and convincing opinion as to why it was correct. That situation neatly sums up the matter, for convincing arguments can in fact be made for each side. Each side can see the benefit to the church school as too much or not too much. The point is, really, that the whole matter comes down to simply an application of the judge's own beliefs as to how much benefit is too much, and there is little more that can be said about it.

Consider, for example, the following passages from the respective majority and dissenting opinions of the New York court:

The constitutional provision is: "Neither the state nor any subdivision thereof shall use its property or credit or any public money, . . . directly or indirectly, in aid or maintenance, . . . of any school or institution of learning wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine is taught. . ."

For the majority, holding the state constitutional provision not to be violated:

> In *Judd*, this court by a vote of four to three declared that a law which provided for school busing of parochial school children could not be sustained because it constituted indirect aid to schools which was in violation of the Blaine Amendment. *Judd* determined that, although school busing was primarily for the benefit of the child, it still had the effect of giving an incidental benefit to sectarian schools and thus ran afoul of section 3 of article XI prohibiting indirect aid. It is now argued that the statute before the court providing for textbook loans to all

children, including those attending parochial schools, must be unconstitutional for the same reason. We cannot agree with the reasoning of the majority in the *Judd* case and accordingly hold that it should not be followed. The New York State Constitution prohibits the use of public funds for a particular purpose; that is, aiding religiously affiliated schools. Certainly, not every State action which might entail some ultimate benefit to parochial schools is proscribed. Examples of co-operation between State and church are too familiar to require cataloguing here. As we said, although in a different context: "It is thus clear beyond cavil that the Constitution does not demand that every friendly gesture between church and State shall be discountenanced. The so-called 'wall of separation' may be built so high and so broad as to impair both State and church, as we have come to know them". (Matter of Zorach v. Clauson, 303 N.Y. 161, 172, 100 N.E.2d 463, 467, affd. 343 U.S. 306, 72 S.Ct. 679, 96 L.Ed. 954.) The architecture reflected in *Judd* would impede every form of legislation, the benefits of which, in some remote way, might inure to parochial schools. It is our view that the words "direct" and "indirect" relate solely to the means of attaining the prohibited end of aiding religion as such.

The purpose underlying section 701, found in the Legislature's own words (L. 1965, ch. 320, § 1, *supra*), belies any interpretation other than that the statute is meant to bestow a public benefit upon all school children, regardless of their school affiliations. There can be no serious suggestion that the declaration of purpose by the Legislature was a verbal smoke screen designed to obscure a nefarious scheme to circumvent the New York State Constitution. No one in the last third of the 20th Century can doubt that a program aimed at improving the quality of education in all schools is a matter of legitimate State concern.

Since there is no intention to assist parochial schools as such, any benefit accruing to those schools is a collateral effect of the statute, and, therefore, cannot be properly classified as the giving of aid directly or indirectly.

. . .

At a time when we have large-scale Federal and State aid to education, it is justly feared that children who are denied these benefits may receive education inferior to children in public schools. Unless certain types of aid can be made available to *all* children, we run the risk of creating an educational lag between children in public and private schools. We cannot perpetuate an erroneous interpretation of the State Constitution merely because it is contained in the reports of this court.

For the dissent, insisting that the state constitutional provision was violated:

This 1894 amendment (N.Y.Const., art. XI, § 3) has its roots in the early history of the State and belongs to "the long and intensive struggle for religious freedom in America", which Justice RUTLEDGE mentioned in his dissenting opinion in Everson v. Board of Educ. (330 U.S. 1, 33-34, 67 S. Ct. 504, supra) of which he said the First Amendment "was the direct culmination." Despite differences in phraseology, the object of both the First Amendment and this State amendment is to keep religion from being dominated by government and to prevent government from being dominated by pressure groups seeking to control it for the promotion of religion.

If the books to be purchased by Boards of Education and supplied to pupils of parochial schools were religious tracts, it is conceded that the statute would be unconstitutional. The mere circumstance that they would be loaned to the pupil rather than supplied directly to the school would not preserve its validity. The constitutionality of this enactment is sought to be sustained on the basis that the textbooks to be supplied are "secular" rather than "religious". Counsel for respondents assume that the clause in the section which states that they "shall be textbooks which are designated in any public, elementary or secondary schools in the state or are approved by any boards of education, trustees or other school authorities" means that the same books that are furnished to children attending public schools shall be furnished children attending private schools. The language does not exactly say this but, even if it were so construed, that would not sustain its constitutionality. The difficulty is that there is no reliable standard by which secular and religious textbooks can be distinguished from each other. In his concurring opinion in McCollum v. Board of Educ. (333 U.S. 203, 235, 68 S.Ct. 461, 477 supra) Justice JACKSON observed that: "Perhaps subjects such as mathematics, physics or chemistry are, or can be, completely secularized", but he continued by pointing out (p. 236, 68 S.Ct. p. 477) that it is necessary even in "preparation for a wordly life to know the roles that religion and religions have played" in the story of mankind, and that it is impossible to teach music, architecture, painting, history or literature without verging upon the religious field. One of the most important reasons on account of which church communicants have chosen, with much financial sacrifice, to have their children taught in parochial schools, is that they have wanted them to be indoctrinated on these subjects with the church point of view. It would be too much to expect that were the church in control of public school instruction, textbooks would not be selected which present church interpretation of such historical, scientific or philosophic items, for example, as the Council of Trent, the Reformation, the Spanish Inquisition, the Encyclopedists, Astronomy (cf. Copernicus and Galileo), Evolution, Social Studies (e. g., birth control, divorce, abortion) or, to quote again from Justice JACKSON in *McCollum* (supra, p. 236, 68 S. Ct. p. 477), "even the New England effort to found 'a Church without a Bishop and a State without a King' * * *". The New Englanders succeeded, for a while, in creating one of the most absolute theocracies of all time. No doubt Jefferson and Madison had this in mind when they fashioned the First Amendment, as well as the ground for rebellion of "Recusants" and "Dissenters" against the Church of England. "It is too much to expect that mortals will teach subjects about which their contemporaries have passionate controversies with the detachment they may summon to teaching about remote subjects such as Confucius or Mohammed. When instruction turns to proselyting and imparting knowledge becomes evangelism is, except in the crudest cases, a subtle inquiry." (McCollum v. Board of Educ., 333 U.S. 203, 236, 68 S.Ct. 461, 477, JACKSON, J., concurring.

This has the most direct bearing upon the point presently at issue. If it were not true, church members who are compelled by law to pay taxes for public schools would not feel constrained by conscience and discipline to support religious schools for their own children. If the state is to provide schoolbooks for instruction in "secular" fields, which have inseparable religious connotations, and parochial schools become increasingly dependent upon state money to provide textbooks, which are the life blood of education, this statute will create and foster a pressure to dominate the choosing of books that shall be used in the public schools (so that they may be used also in parochial schools) which will always be present, and at certain times and places, irresistible, and, as action begets reaction, there will be an opposite tendency, equally dangerous, on the part of the state to dominate the church.

It must be noted that other courts, notably the United States Supreme Court, have also struggled with the necessity to formulate a workable test of what constitutes impermissible aid to religious institutions. Some have been strict, like the Washington court, purporting to permit no program that has any benefit to the religious institution. This, as pointed out earlier, is palpably unworkable, for many public benefit programs of unquestioned validity also inure to the benefit of religious institutions. More workable perhaps is the test articulated by the Supreme Court of the United States in a decision holding unconstitutional a program of Bible reading and prayer recital as a religious exercise in the public schools and therefore violative of the federal constitution.[19] This result was reached despite an argument by the state that there were secular purposes such as the "promotion of moral values, the contradiction to the materialistic trends of our times, and the perpetuation of our institutions and the teaching of literature." The test, said the Court, is: "What are the purpose and primary effect of the enactment? If either is the advancement or inhibition of religion then the enactment exceeds the scope of legislative power." Finding that the program was essentially a religious exercise, the Court concluded that the program was unconstitutional, for both the purpose and the primary effect must be secular. Here, of course, the purpose might be secular, but the primary effect certainly was not.

This test was interestingly applied in a recent New Hampshire case,[20] where in an "Opinion of the Justices" the court, pursuant to an unusual state procedure gave the state senate an advisory opinion as to the constitutionality of several bills pending before the state legislature, all of which in varying ways would benefit church schools. Despite an explicit state constitution provision forbidding aid or support to church schools, the court advised as follows: a) a bill to provide a $50 tax exemption on residential real property to persons having a child in a nonpublic school was unconstitutional as being support of the church schools, but only because it was not made available also to parents of children in public schools. The discriminatory feature told the court that the exemption was intended to further the church school, not to further the broad public purpose of education. b) a bill to provide special services, such as a school physician, school nurse, and school guidance services, to all school children, was constitutional, as having its purpose and primary effect the broad social benefit to result from such services. c) a bill to provide free or at cost the same books as used in the public schools to children in nonpublic schools was constitutional, again because of the broad general public purpose and effect.

An earlier New Hampshire case[21] could also be of some help in analyzing the fourth proposal under consideration, the direct payment by the state for instructional programs. In an "Opinion of the Justices" of 1955 the court advised the state house of representatives upon a bill pending before them to give both scholarships to students in nursing and direct grants to hospitals that furnished such training. The court believed the program would not violate the state constitution,

despite the explicit constitutional prohibition against using state money for religious schools or institutions. The court emphasized both the secular nature of the nursing instruction and the fact that the legislation would prohibit the use of the funds for any other purpose:

> The Act incorporates the principal conclusions of the interim New Hampshire State Commission of Nursing, Laws 1953, c. 301, to the effect that there is shortage of student and graduate nurses creating a serious problem of public health, vitally affecting the welfare of the state and requires remedial action recommended by the Commission. The Commission reported that the "nursing salary schedule in the State of New Hampshire is one of the very lowest prevailing in the United States." The report recommended the scholarship and grants in aid programs for student and graduate nurses, which are Parts I and II of the Act, to avoid the "possibility of a genuine crisis in nursing education."
>
> Hospitals and nurses are recognized essentials of a public health program and have received legislative recognition as serving a public purpose. Municipalities may use public moneys for hospitals, clinics and health centers, R.L. c. 51, § 4, par. VI, to aid visiting or district nurses or the American Red Cross, par. VII, and to support a resident physician. R.L. c. 51, § 4, par. XXIII. "The inability of members of a community to receive emergency care and first aid is not entirely a private matter of the person injured. R.L. c. 51, § 4, pars. VI, VII, VIII and XXIII." Blanchard v. Claremont Eagle, Inc., 95 N.H. 375, 379, 63 A.2d 791, 794. The State has recently appropriated public funds for a survey of the building program for hospitals, Laws 1947, c. 247, and for the supervision of education in schools of nursing, Laws 1947, c. 285; Laws 1951, c. 38. In the past it has made outright grants for a medical school and for an infirmary. Act of June 23, 1809; 7 Laws of N.H. 813; Act of December 15, 1824; 9 Laws of N.H. 378. These statutes indicate the legislative declaration that hospitals and nursing involve a public matter for which state and local funds may be used. * * *

However, whether Article 83, or similar articles in other constitutions, have been violated or evaded can be determined only by an examination of the factual situation and not by the application of generalizations. This is demonstrated by the decisions in Everson v. Board of Education, 330 U.S. 1, 67 S.Ct. 504; People of State of Illinois ex rel. McCollum v. Board of Education, 333 U.S. 203, 68 S.Ct. 461, 92 L.E. 648, and Zorach v. Clauson, 343 U.S. 306, 72 S.Ct. 679, 96 L.Ed. 954.

Under this constitutional provision it is necessary to look at the objectives and methods proposed by a statute in order to determine its validity. The purpose of the grant proposed by House Bill 327 is neither to aid any particular sect or denomination, nor all denominations, but to further the teaching of the science of nursing. No particular sectarian hospital is to be aided, nor are all hospitals of a particular sect. The aid is to be available to all hospitals offering training in nursing without regard to the auspices under which they are conducted or to the religious beliefs of their managements, so long as the aid is used for nurses' training "and for no other kind of instruction or purpose." If the injunction of the proposed statute is followed, as it must be, Holt v. Antrim, 64 N.H. 284, 9 A. 389, the public funds will not be applied to sectarian uses. If some denomination incidentally derives a benefit through the release of other funds for other uses, this result is immaterial. Brooks v. Franconia School District, 73 N.H. 263, 265, 61 A. 127. The use of the grant is adequately limited by the proposed statute, Eyers Woolen Co. v. Gilsum, 84 N.H. 1, 15, 146 A. 511, 64 A.L.R. 1196 and the training which will thereby be provided is subject to the supervision of the State. Laws 1947, c. 285. A hospital operated under the auspices of a religious denomination which receives funds under the provisions of this bill acts merely as a conduit for the expenditure of public funds for training which serves exclusively the public purpose of public health and is completely devoid of sectarian doctrine and purposes. This does not violate the Constitution. Kentucky Bldg. Commission v. Efiron, 310 Ky. 355, 220 S.W.2d 836; Bradfield v. Roberts, 175 U.S. 291, 20 S.Ct. 121, 44 L.Ed. 168. See Holt v. Antrim, 64 N.H. 284, 9 A. 389.

The second broad constitutional concern, expressed in Art. VIII §5, is that the state not foolishly or corruptly give away state funds or property. The language is: "The credit of the state shall not, in any manner be given or loaned to, or in aid of, any individual, association, company or corporation."

As described earlier, the background for the adoption of this provision was the gross exploitation of weak state and local governments by aggressive and unprincipled persons and business corporations, especially in the western part of the country during the middle and late 1800's. The railroads particularly exacted heavy tribute from the local communities for their kindness in bringing in the lines.[22]

Today, although undoubtedly pressures of the same sort are exerted upon government units, those governments are stronger and able realistically to determine whether and in what amount public funds should be expended more in terms of the amount of public good to be accomplished than in terms of how much bargaining power the initial recipient of these funds may have over the legislature.

In the setting of the programs here under consideration, the point thus to be determined is whether in passing this legislation the legislature would be able realistically and fairly to decide that the funds to be expended will return a commensurate public benefit to the state as a whole, as distinguished from the legislature's merely succumbing to the blandishments, threats or more subtle pressures from private colleges and universities who would like to get their hands on some state money.

Measured by this very rough sort of test, the decisions of the Washington state supreme court in applying this constitutional provision seem to make some degree of sense. The court has held the following not to violate the constitutional provisions: a) state grants to needy "senior citizens";[23] b) retroactive state grants to veterans;[24] c) city grants to increase the pensions of already-retired employees.[25] On the other hand, the court has struck down the following: a) a state grant of $100 toward the funeral expense of a needy "senior citizen" when there were sufficient funds in his estate to pay that expense;[26] b) a state contribution of 10 percent of the cost of removing certain utility lines from a highway right-of-way, in order to qualify for a federal grant of the other 90 percent, when the utility company was itself contractually obligated to bear the entire cost of the removal;[27] c) port district expenditures for food and drink of visiting businessmen, prospects for future port business;[28] d) a city refund of taxes collected under an ordinance during its effective period, upon the city's repeal of the ordinance for the future.[29]

It can be said of those cases in which the court has upheld the government expenditure that the legislation reflected a calm, relatively unpressured judgment of the legislature that indeed the general public good to come from the program was worth the government's money. These matters are, of course, questions of degree, but there does seem nothing

sinister, corrupt, or even grossly foolish about the programs thus sustained. Note, too, that only in the loosest sense can the government in these cases be said to have received a fair and adequate consideration from the person directly receiving the money; but that is not the important thing; rather, the important ingredient is that the public as a whole is thought to receive such a benefit in a broad general way.

To contrast the cases in which the court has struck down the government program, there can be seen in these cases some element of special dispensation or privilege or benefit to the person directly receiving the money, without the correlative general public good that would otherwise justify the government's expenditures. In the funeral expense case, for example, the court emphasized that it was no longer the needy person who benefitted from the $100 allowance but merely those who would inherit from him. Since inheritance is a sort of windfall, there was no general public purpose to be served by this grant. Parenthetically, one might question this assertion, for it seems likely that those who inherit from a needy "senior citizen" might themselves be nearly as much in need as the senior citizen himself, and it certainly is also a broad public purpose to guard against their impoverishment. In the second case, for the state to pay 10 percent of the cost of the utility line removal, thus to relieve the utility company of the expense, does seem like a gift to the company without commensurate public benefit, although here, too, it could be argued that thereby to get 90 percent of the cost contributed by the federal government, rather than to make the utility company pay the entire 100 percent, is of considerable benefit to the people of the state. Certainly the utility company is presumably accountable to the state regulatory agency, and its costs will be reflected in its rate structure and thus ultimately be borne by the populace. By contrast, money from the federal government is traditionally considered nearly pure manna, for the people of other states contribute the bulk of it. The port district case, involving food and drink expenses, simply presented too much of what we find easy to condemn in others--to entertain, by plying with food and drink, in order to persuade; government cannot operate this way. In this case, one suspects, it was not that there was no broad public benefit to be seen, but that the methods employed by the port district have always been thought to smack of the corrupt, and, if not strictly curbed, to lead to bribery or other gross malfeasance.

Now, to apply these factors to the programs under consideration here, it is most important that the legislature be shown to have a basis of broad public good to be derived from the program upon which to base its judgment. At the same time, the negative aspect must not be too strong. That is to say, the points emphasized under the earlier discussion of the religion clauses are here extremely important: there must be shown the public need for the program, the wisdom of choosing the particular method for meeting that need, and, of crucial importance under the anti-giveaway clause, the absence of a purpose and dominant effect of simply giving money to the private colleges for some reason other than the general public good.

Do these public good factors appear? The answers seem here to be, without question, yes. Indeed, they are the very same factors that are discussed in the religion-clause section and are therefore not repeated here. The point, really, is that the very same considerations that lead to validity under the religion clauses also lead to validity under the clause here considered. Only the negative aspect is different. In the religion clauses, it was the extent to which the state program may constitute a giving in to pressure for relief to a private institution, whether out of sympathy, loyalty, or other pressures, some possibly more sinister. The fact is, of course, that this negative cannot be shown.

Yet, there is reason to be cautious. Particularly in the proposal to make direct grants to private institutions for specific instructional programs there is need for definite data to sustain either the conclusion that the public need for the specific instructional program is particularly strong or the conclusion that the public need, even if found, should be fulfilled at the private colleges.

If it is so that some of the private institutions have reached the point of imminent financial failure, can the modest proposals here made for financial infusion into those institutions be viewed as anything other than an attempt to bolster those institutions without real prospect for their regrowth to institutions of quality commensurate with the state schools? These questions are serious. They will occur to lawyers employed to demonstrate that these programs are constitutionally invalid, and they will be brought to the attention of the judges asked to determine that constitutional validity, and they will be accompanied by arguments that will emphasize the immediacy of the financial benefit to the institution and the problematic quality of the public benefit to be derived.

There will also be some concern for the fact that the recipients under the student grant programs are not limited to those in need, in this respect different from the scholarship grant program adopted by the 1969 legislature.[30] This concern grows out of two cases involving the state's old age assistance laws decided, respectively, in 1942[31] and 1944.[32] In the first case, certain amici challenged the whole of the statutory program, which had been adopted as an initiative in the November, 1940 election. Their argument was that since the act could be construed to provide benefits to persons not in need it violated Art. VIII §5. Since in fact the parties to the lawsuit were actually needy persons, the court was not required under ordinary standards of judicial behavior to pass on the point; nevertheless, it did. But the method employed was to avoid the constitutional question, such as it was, by construing the act to provide benefits only for needy persons. While doing so, it is true, the court said "...it might well be challenged on constitutional grounds." (at 169).

This perfectly clear holding in the first case was converted

into quite a different result in the second case. There, a different provision of the same act was challenged, this time the allowance of $100 toward the funeral of a needy person. In fact the decedent's estate, apart from the $100 allowance, did have sufficient funds to pay the entire cost of the funeral. The court held that it was a violation of Art. VIII §5 for the state to pay this $100 allowance under these circumstances. As explained above, this case can be adequately justified as showing a violation of Art. VIII §5 merely by characterizing the $100 as an unwarranted gift not to the needy person but to those who inherit from him. But the court went further, at least in its language, saying "It will be seen from what we have said in deciding (the earlier case) that the only legal justification for the aid of citizens of the state is that those aided must be without resources of income and upon the basis of need alone." Here the court is particularly wrong, in two counts. First, this is not what the earlier case held; in that case the court simply construed the statute, possibly because of constitutionality worries, to apply only to needy persons. Second, the fact that need might be a basis for the state to give money to persons does not mean it is the only basis. The court, it is true, had not at that time yet decided the veterans bonus case, Gruen v. State Tax Commission,[33] decided in 1949. In that case the court squarely held that such a payment to the veterans did not violate Art. VIII, §5, not because the veterans were needy, but for two quite different reasons: a) this was a payment for "services rendered" (although not to the state of Washington and certainly in no way part of any agreed-upon compensation rate in the sense of ordinary employment) and b) this payment was "for a public purpose and undertaking."

From the veteran case, despite the clearly mistaken assertions in the second welfare case, it does seem that there is no need to restrict the student grants to students in need. The purpose here, unlike the old age assistance program, is not the relief of poverty. The program is not even intended to make the students the ultimate beneficiaries of the grants. The overall and pervasive purpose of the whole program is to benefit the public welfare by the encouragement to the youth to continue their education into institutions of higher learning. The benefits to be derived from this are surely quite different from those that would come from the relief of poverty and seem, in the language of the veterans bonus case, obviously to be "for a public purpose and undertaking."

CONCLUSIONS

By way of preface it must be said that the following are the conclusions of but one man and are at best only his prediction of what the Washington state supreme court will do if and when a particular program is challenged. The precise content of the legislative program is not yet defined, and the precise then-existent factual setting in which that program will be operative is at best only vaguely perceived. These conclusions are therefore matters of opinion and of necessity are stated in qualified terms.

The program of a modest grant to every resident student for his unrestricted use while attending any college or university in this state stands the best chance of withstanding constitutional attack. If the particular grant challenged be one used by a student attending a private college or university substantially removed from church control or influence, that part of the program was the very best chance of withstanding attack. At the other extreme, the use of the grant by a student attending a church-dominated school stands the least chance of survival.

In absolute terms, the prospect for withstanding attack for the most likely of these, that is, the use by a student attending a non-church private school, is really quite good, probably better than even. The use by the student to attend a church-dominated school stands considerably less chance, though it does seem to have at least some chance of survival.
For tne student to use the grant to pursue a course of study leading to the ministry, however, the program would surely be held unconstitutional. It seems doubtful that the exclusion of students pursuing other courses of study would affect the resolution of the constitutional questions, although it might.

If the program be restricted to use by only those students who attend private schools, not to include those attending the state schools, the chance for survival lessens, although it does not seem the relative suffering would be great. Even if this narrowing were adopted, it would still seem that the absolute chance of survival ought to be substantial in the most favorable case, where the student uses the grant to attend a non-church school. Here, too, surely the student who studies for the ministry must be excluded.

The fourth program, for direct grants to the private schools for specific instructional programs, seems to stand considerably less chance of survival than the student-grant programs. This will be particularly true if the specific fields chosen involve large numbers of students and are therefore of considerable generality, for the counterpart education in the state schools will probably be reasonably adequate to meet the public need. This type of program, that is, the one involving fairly large numbers of students, suffers also from the

correlative fact that not only may the finding of need seem somewhat strained but also the impermissible legislative desire simply to help out an institution in financial trouble may appear to become dominant. These programs seem therefore to rank low on the scale of probable survival against constitutional attack. Particularly if the supporting data be soft, or indeed substantially less than compelling, the chance for survival against attack seems almost minimal and the program not worthy of recommendation to the legislature.

One caveat is necessary: If truly the facts do exist and can be assembled to meet the criteria suggested, the estimate of survival chances will of course go up, to the point that if an extremely good case can be made they would be comparable to that of the student grant programs. The two fields chosen for illustration, nursing and law, may turn out to be substantiable in this way.

FOOTNOTES

1. The analysis, it will be noted, is solely in terms of the limitations of the Washington State constitution. As explained in the earlier chapter, the limitations of the federal constitution under current and predicted United States Supreme Court decisions seem considerably less restrictive and are therefore not treated in this section.

2. Visser v. Nooksack Valley School District, 33 Wash. 2d 699 207 P.2d 198 (1949)

3. Mitchell v. Consolidated School District, 17 Wash. 2d 61, 135 P. 2d 79 (1943). The statutes are R.C.W. 84.36.020 and .030.

4. Thurston County v. Sisters of Charity, 14 Wash. 264, 44 P. 252 (1896). This case involved the exemption for hospitals, R.C.W. 84.36.040, not that for property devoted to religious use. Foley v. Oberlin Congregational Church, 67 Wash. 280, 121 P.65 (1912). Pacific Northwest Conference v. Barlow, 77 Wash. Dec. 2d 492 (1969). Norwegian Lutheran Church v. Wooster, 176 Wash. 581, 30 P. 2d 381 (1934). Wesley Foundation v. King County, 185 Wash. 12, 52 P. 2d 1247 (1935)

5. 77 Wash. Dec. 2d 492, 498 fn. 2.

6. Walz v. Tax Commission, U.S.S.Ct. May 4, 1970

7. Perry v. School District, 54 Wash. 2d 886 (1959)

8. Ibid at 897.

9. State ex rel. Tattersall v. Yelle, 52 Wash. 2d 856, 329 P. 2d 841 (1958)

10. Ibid at 864.

11. 77 Wash. Dec. 2d 492 (1969)

12. An excellent and extensive bibliography (14 pages) will be found in Boles, The Two Swords (Iowa State Univ. Press 1967)

13. For good discussion of the background see Taylor, Equal Protection of Religion; Today's Public School Problem, 38 A.B.A.J. 277, 335 (1952) and Louisell and Jackson, Religion, Theology and Public Higher Education, 50 Calif. Law Rev. 751 (1962), espec. at 767 fn. 79.

14. 25 U.S. Stat. at Large c. 180 p. 676, Feb. 22, 1889

15. State constitutions are set forth in detail in Thorpe, The Federal and State Constitutions, Colonial Charters, and other Organic Laws (Gov't Printing Office, 1909).

16. The Enabling Act, supra at n. 14, required only "That provision shall be made for the establishment and maintenance of public schools, which shall be open to all the children of said states, and free from sectarian control."

The Washington provision, Art. IX, §4, reads: "All schools maintained or supported wholly or in part by the public funds shall be forever free from sectarian control or influence." Its author was William Lair Hill, a lawyer of the day who had recently come to Washington from California and more recently from Oregon, where he had for a time been publisher of the Portland Oregonian. Though he was not a delegate to Washington's constitutional convention, he did cause copies of our issue of the Oregonian, containing the full text of a proposed constitution that he had drafted, to be distributed to the members of the convention on its opening day, July 4, 1889. In Art. IX, §4 the convention adopted Hill's language exactly as proposed. Research has failed to establish where, except from his own thinking, Hill was inspired to include the words, "or influence," although the other words of his draft of this provision can be traced to the Enabling Act or to other state constitutions.

17. Board of Education v. Allen, 20 N.Y. 2d 109, 228 N.E. 2d 791, 281 N.Y.S. 2d 799 (1967), aff'd. 392 U.S. 236 (1968)

18. Board of Education v. Allen, 392, U.S. 236, 88 Sup. Ct. 1923, 20 L. Ed. 2d 1060 (1968)

19. School District of Abington v. Schempp, 374 U.S. 203, 83 Sup. Ct. 1560, 10 L. Ed. 2d 844 (1963).

20. Opinion of the Justices, 258 A. 2d 343 (N.H. 1969)

21. Opinion of the Justices, 99 N.H. 519, 113 A. 2d 114 (1955)

22. Airey, A History of the Constitution and Government of Washington Territory, 481-87 (Unpublished Ph.D. Thesis, University of Washington 1945).

23. Morgan v. Department of Social Security, 14 Wash. 2d 156, 127 P. 2d 686 (1942)

24. Cruen v. State Tax Commission, 35 Wash. 2d 1, 211 P. 2d 651 (1949)

25. Ludera v. City of Spokane, 57 Wash. 2d 162, 356 P. 2d 331 (1960)

26. State v. Guaranty Trust Co., 20 Wash. 2d 588, 148 P. 2d 323 (1944)

27. State Fisheries Commission v. Pac. N.W. Bell, 59 Wash. 2d 216, 367 P. 2d 605 (1961)

28. State ex rel. O'Connell v. Port of Seattle, 65 Wash. 2d 801, 399 P. 2d 623 (1965)

29. City of Yakima v. Buza, 67 Wash. 2d 351, 407 P. 2d 815 (1965)

30. R.C.W. 28B 10.800 et seq.

31. Morgan v. Department of Social Security, 14 Wash. 2d 156, 127 P. 2d 686 (1942)

32. State v. Guaranty Trust Co., 20 Wash. 2d 588, 148 P. 2d 323 (1944)

33. 35 Wash. 2d 1, 211 P. 2d 651 (1949)

IN THE LEGISLATURE
of the
STATE OF WASHINGTON

ENGROSSED HOUSE CONCURRENT RESOLUTION NO. 5

By Representatives Lynch, Smythe, King, Kirk and Marsh
(By Request of Advisory Council on Public Higher Education)

WHEREAS, The State of Washington recognizes the contributions of private and independent institutions of higher education in assisting the state to meet its educational responsibilities; and

WHEREAS, The presence of such institutions within this state tends to make our total system of higher education stronger and more vital; and

WHEREAS, A planning and coordination process for higher education within this state should include private and independent as well as state-supported institutions of higher education to insure that the educational needs of this state are being met in a resourceful and effective manner;

NOW, THEREFORE, BE IT RESOLVED, By the Senate, the House of Representatives concurring, That

(1) An in-depth study of the relationship of the private and independent institutions to the total system of higher education within this state be conducted;

(2) This study shall be conducted by the Council on Higher Education, as a priority study;

(3) The Council on Higher Education shall report the results of this study to the 42nd session of the Legislature, and to the Governor;

(4) In conducting this study, the Council on Higher Education shall consider, but not be limited to, the report of Arthur D. Little, Inc., of November, 1968, to the Temporary Advisory Council on Public Higher Education which suggests that state support of private and independent institutions of higher education be contractual in form and discriminating as to educational services received;

(5) If the Council on Higher Education concludes that the contractual relationships between private and independent institutions of higher education and the state are the most feasible and effective ways of assisting these institutions, and at the same time, helping the state to meet its obligation of providing higher education to its citizens, then the following criteria shall be considered by the Council on Higher Education in developing a proposal for any such program:

(a) Prior to the allocation of state assistance to private and independent institutions of higher education, recipient institutions shall qualify by meeting educational standards commensurate with those obtained by public institutions; this requirement shall be satisfied by accreditation by the Northwest Association of Secondary and Higher Schools;

(b) prior to the allocation of state assistance to private and independent institutions of higher education, a recipient institution shall agree to provide fiscal and student data in the same format, and utilize identical definition of terms, as required by public institutions requesting state appropriations, and any other information that is required of public institutions of higher education;

(c) if the Council on Higher Education recommends by 1971 that it would be in the best interest of the state to enter into a contractual arrangement with private and independent institutions of higher education, which institutions would provide educational services for the benefit of the state, an educational program of acknowledged excellence as determined by the Council on Higher Education, carried on by private or independent institutions of higher education practicing acceptable internal management procedures, may be recommended as a pilot project to the 42nd session of the Legislature.

(6) The attorney general's office, as the statutory legal advisor to the Council on Higher Education, is hereby requested to advise and assist the Council in its study, and specifically to provide:

(a) information to the Council as to the law and operation in other states in which contractual relationships have been established between state agencies and private and independent institutions of higher learning; and

(b) assistance in determining what constitutes a religious establishment or religious instruction as the terms are used in Article I, section 11, of the state Constitution, and sectarian control or influence as the terms are used in Article IX, section 4, and Article VIII, sections 5 and 7, of the state Constitution which prohibit the state from extending its credit to private corporations, associations, or individuals.

Passed the House March 28, 1969.

Speaker of the House.

Passed the Senate May 9, 1969.

President of the Senate.

I hereby certify this to be
a true and correct copy of
Resolution passed by the
House of Representatives
March 28, 1969.

Malcolm McBeath

Malcolm McBeath, Chief Clerk
House of Representatives